DOCUMENT RESUME

ED 049 322 UD 010 976

TITLE	Need to Improve Policies and Procedures for Approving Grants Under the Emergency School Assistance Program. Report to the Select Committee on Equal Educational Opportunity, United States Senate.
INSTITUTION	Comptroller General of the U.S., Washington, D.C.
REPORT NO	B-164031(1)
PUB DATE	5 Mar 71
NOTE	88p.
EDRS PRICE	EDRS Price MF-$0.65 HC-$3.29
DESCRIPTORS	*Federal Aid, *Federal Programs, Financial Policy, Financial Problems, *Integration Methods, *School Integration
IDENTIFIERS	*Department Of Health Education And Welfare

ABSTRACT

At the request of the Senate Select Committee on Equal Educational Opportunity, the General Accounting Office (GAO) has reviewed the policies and procedures for the granting of Federal funds to school districts for desegregation. GAO selected grants made to 50 school districts for its review of approval procedures. In many cases, GAO believes that school districts did not submit sufficient information, so that it was difficult to determine whether or not the school districts' programs qualified for Federal desegregation funds. The files supporting most of the grants reviewed did not evidence full compliance by the school districts with the regulations concerning the formation of biracial and student advisory committees. Also, contrary to regulations, most of the applications did not contain adequate descriptions of the methods, procedures, or objective criteria that could be used by an independent organization to evaluate the effectiveness of each project. During the investigation, GAO discovered a number of questionable situations, in which Federal grants should not have been approved. This weakness in the procedures was due to the policy of emphasizing the emergency nature of the program and the desire for expeditious funding, at the expense of a more thorough review and evaluation of applications. (Author/JW)

ED049322

REPORT TO THE SELECT COMMITTEE ON EQUAL EDUCATIONAL OPPORTUNITY UNITED STATES SENATE

U.S. DEPARTMENT OF HEALTH, EDUCATION & WELFARE
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Need To Improve Policies And Procedures For Approving Grants Under The Emergency School Assistance Program B-164031(1)

Department of Health, Education, and Welfare

BY THE COMPTROLLER GENERAL OF THE UNITED STATES

MARCH 5, 1971

UD010976

COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-164031(1)

Dear Mr. Chairman:

This is our report on the need to improve policies and procedures for approving grants under the Emergency School Assistance Program administered by the Department of Health, Education, and Welfare. Our review was made pursuant to your request of November 24, 1970.

Sincerely yours,

Elmer B. Staats
Comptroller General
of the United States

The Honorable Walter F. Mondale
Chairman, Select Committee on
Equal Educational Opportunity
United States Senate

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ABBREVIATIONS

ESAP	Emergency School Assistance Program
GAO	General Accounting Office
HEW	Department of Health, Education, and Welfare

COMPTROLLER GENERAL'S REPORT TO
SELECT COMMITTEE ON EQUAL
EDUCATIONAL OPPORTUNITY
UNITED STATES SENATE

NEED TO IMPROVE POLICIES AND PROCEDURES FOR APPROVING GRANTS UNDER THE EMERGENCY SCHOOL ASSISTANCE PROGRAM
Department of Health, Education, and Welfare B-164031(1)

D I G E S T

WHY THE REVIEW WAS MADE

At the request of the Chairman, Senate Select Committee on Equal Educational Opportunity, the General Accounting Office (GAO) reviewed the policies and procedures of the Department of Health, Education, and Welfare (HEW) for approving grants of Federal funds to school districts to defray the costs of meeting special problems arising from school desegregation.

To meet the emergency needs of school districts that were desegregating, the President, on May 25, 1970, requested that the Congress appropriate, under six existing legislative authorities, $150 million to be made available immediately to these school districts. On August 18, 1970, the Congress appropriated one half of this amount and thereby established the Emergency School Assistance Program.

In accordance with the Committee's request, GAO selected grants made to 50 school districts for its review of approval procedures. The 50 grants, which were made by five of the HEW regional offices, totaled about $14 million, or about 25 percent of the approximately $55 million in grants made to 793 school districts as of November 13, 1970.

This review was conducted at HEW headquarters, Washington, D.C., and at five HEW regional offices. No work was done at the grantee school districts. Consequently, this report does not contain comments on the procedures and expenditures of the school districts relating to these grants. As a follow on to this review, GAO plans to make reviews at the school districts to examine into the expenditures of the grant funds.

The Office of Education and HEW have not been given an opportunity to formally examine and comment on this report, although most of the matters were discussed with agency officials.

FINDINGS AND CONCLUSIONS

Procedural Weaknesses

GAO believes that, in many cases, school districts did not submit with their applications, nor did HEW regional offices obtain, sufficient information to enable a proper determination that the grants were made in accordance with program regulations or that the grants were in line with the purpose of the program.

Most of the applications did not contain comprehensive statements of the problems faced in achieving and maintaining desegregated school systems, nor did they contain adequate descriptions of the proposed activities designed to comprehensively and effectively meet such problems. Particularly, there was a lack of documentation in the regional files as to how the proposed activities would meet the special needs of the children incident to the elimination of racial segregation and discrimination in the schools. (See pp. 26, 45, and 55.)

Therefore GAO believes that the applications in many cases did not provide HEW with an adequate means for determining that project approvals were based upon consideration of such required factors as the applicants' needs for assistance, the relative potential

of the projects, or the extent to which the projects dealt with the problems faced by the school districts in desegregating their schools.

The files supporting most of the grants reviewed did not evidence full compliance by the school districts with the regulations concerning the formation of biracial and student advisory committees. Also most of the applications did not contain, contrary to the regulations, adequate descriptions of the methods, procedures, or objective criteria that could be used by an independent organization to evaluate the effectiveness of each project. (See pp. 38, 39, 47, 51, 58, 61, 67, and 69.)

Officials in HEW's Atlanta Regional Office which made 28 of the 50 grants reviewed, told GAO that they generally did not have detailed information beyond that in the project files concerning the program activities set forth in the applications. Some said that they did not have time, prior to grant approval, to seek additional information and had to rely on school district officials to identify the major problems which the districts faced in desegregating their schools and to propose programs to deal with those problems.

Officials in HEW's Dallas Regional Office, which made 12 of the grants agreed, in general, that many of the applications did not contain adequate statements of the problems or descriptions of the activities designed to meet these problems. Officials in both the Dallas and Philadelphia Regional Offices--the Philadelphia office made seven of the grants reviewed--told GAO that they had satisfied themselves with respect to the merits of the projects, prior to project approval, on the basis of their knowledge of the school districts' problems and of their contacts with school officials to obtain additional information as considered necessary. There was an almost complete lack of documentation in the files with respect to the additional information that was known to, or obtained by these regional officials on the basis of which they had determined that the projects merited approval.

In the Kansas City and San Francisco Regional Offices which approved a total of three applications, the applications seemed to have provided sufficient information to enable regional officials to determine that the proposed activities were in line with the purposes of the program.

Transfer of property in Louisiana

GAO noted that Louisiana law requires that school districts furnish school books and school supplies to students in private schools and provides that transportation may be furnished to students attending parochial schools. HEW regional officials contacted 14 Louisiana school districts prior to grant approval and determined that the majority had transferred property or had provided transportation to private schools under the State law. For the two Louisiana districts included in GAO's review, HEW determined that neither district had transferred property or had provided transportation to private schools. HEW decided to certify that the Louisiana school districts were eligible for program funding if it had no indications of civil rights violations other than the transfers allowed by Louisiana law.

Questionable Situations

GAO believes that HEW should have questioned, prior to grant approval, the following situations noted during GAO's review.

--One school district appeared to have been ineligible to participate in the program, because it had entered the terminal phase of its desegregation plan prior to the time period specified in the regulations for eligibility. After GAO brought the situation to the attention of HEW officials, payments under the grant were suspended, pending a final determination of eligibility. (See p. 20.)

--Information pertaining to another school district indicated that program funds may have been used, contrary to regulations, to supplant non-Federal funds available to the district prior to approval of its grant. (See p. 37.)

--Information in the regional files at the time that one district's application was reviewed showed that the ratio of minority to nonminority faculty in each school within the district was not substantially the same as the ratio for the entire school system, contrary to the regulations. (See p. 59.)

GAO noted another case where information that had become available after the grant was made indicated that program funds may have been used to supplant non-Federal funds otherwise available to the school district. (See p. 37.)

Reasons for Weaknesses

GAO believes that the weaknesses in the HEW procedures and practices were due, to a large degree, to HEW's policy of emphasizing the emergency nature of the program and to its desire for expeditious funding, at the expense of a more thorough review and evaluation of school districts' applications, particularly as to the adequacy of described program activities in satisfying program requirements.

GAO believes that, to overcome the weaknesses in the HEW grant approval procedures, HEW should undertake a strong monitoring program to help ensure that the grant funds already made available to the school districts are being used solely for program purposes and not for educational assistance in general. GAO recognizes that postgrant reviews at certain grantee school districts are currently being made by HEW regional officials.

RECOMMENDATIONS OR SUGGESTIONS

GAO believes that, in the event additional Federal funding is authorized for similar assistance to school districts to defray the costs of meeting special problems arising from the desegregation of elementary and secondary schools, HEW should strengthen its procedures for approval of grants to school districts. Such action should:

--Provide sufficient time for regional officials to make a thorough review and evaluation of each application received so that approval will be based on an understanding of the problems faced in achieving and maintaining a desegregated school system and on an adequate determination that the proposed activities are designed to meet such problems.

--Require that all information relied upon in approving school district applications, whether obtained orally or in writing, be made a matter of record so that the basis upon which grant approvals are made will be readily available to HEW program managers or to others authorized to review the conduct of the program.

--Provide for an effective monitoring system to help ensure that (1) grant funds made available to the school districts are being used for the purposes specified in their applications and (2) the school districts are complying with HEW regulations on nondiscrimination as well as with the other assurances given in their applications.

CHAPTER 1

INTRODUCTION

In response to a request dated November 24, 1970 (see app. IV), from the Chairman, Senate Select Committee on Equal Educational Opportunity, we reviewed the policies and procedures of HEW for approving grants of Federal funds to school districts to defray the costs of meeting special problems arising from school desegregation. This program is known as the Emergency School Assistance Program (ESAP).

Our review included an examination of the documentation in the HEW files and discussions with HEW officials relating to selected grants reported by the Office of Education as having been made to school districts by the HEW regional offices through November 13, 1970. All but one of the reported grants were made by five of the HEW regional offices. We made reviews at these five regional offices but did not make reviews at the school districts. Consequently, this report does not contain comments on the procedures and expenditures of the school districts relating to these grants. As a follow on to this review, we plan to make reviews at the school districts to examine into the expenditures of the grant funds.

ESTABLISHMENT OF PROGRAM

On March 24, 1970, the President of the United States issued a statement on school desegregation, saying that he would recommend an expenditure of $1.5 billion--$500 million in fiscal year 1971 and $1 billion in fiscal year 1972--to assist local school authorities in their efforts to desegregate. Proposed legislation to authorize these expenditures was included in the President's message to the Congress on May 21, 1970. This legislation was not enacted by the Ninety-first Congress.

In his May 21, 1970, message to the Congress, the President anticipated that final action on this legislation would not be completed in time to deal with the most pressing problems of school districts that were in the process of desegregating and those that had to desegregate by the fall of 1970. To meet the emergency needs of such school districts, the President, on May 25, 1970, requested that the Congress appropriate, under six existing legislative authorities, $150 million to be made available immediately to school districts undergoing desegregation. In response, the Congress, on August 18, 1970, appropriated one half of the amount requested by the President, or $75 million, and thereby established ESAP.

DESCRIPTION OF PROGRAM

ESAP provides financial assistance in the form of grants to school districts to defray the costs of meeting special problems arising from the desegregation of elementary and secondary schools. Statutory authority to carry out ESAP is contained in the following separate acts.

1. The Education Professions Development Act, part D (20 U.S.C. 1119-1119a).

2. The Cooperative Research Act (20 U.S.C. 331-332b).

3. The Civil Rights Act of 1964, title IV (42 U.S.C. 2000c-2000c-9).

4. The Elementary and Secondary Education Act of 1965, section 807 (20 U.S.C. 887).

5. The Elementary and Secondary Education Amendments of 1967, section 402 (20 U.S.C. 1222).

6. The Economic Opportunity Act of 1964, title II (42 U.S.C. 2781-2837) (under authority delegated to the Secretary of Health, Education, and Welfare).

The regulations governing the administration of ESAP by HEW were published in the Federal Register on August 22, 1970. The Commissioner of Education, who was vested with responsibility for administering ESAP, delegated this responsibility to the Office of Education's Division of Equal Educational Opportunities. The Office of Education's representatives in each of the 10 HEW regional offices were given the responsibility for reviewing and approving grant applications received from the school districts.

Under ESAP, a school district is eligible for financial assistance if (1) it is desegregating its schools under a final State or Federal court order or under a voluntary plan approved by HEW as meeting the nondiscrimination requirements of title VI of the Civil Rights Act of 1964 and (2) it commenced the terminal phase of such plan or court order by the opening of the 1970-71 academic year or had commenced such terminal phase during the 1968-69 or 1969-70 academic year. The regulations define terminal phase as that phase of a desegregation plan at which the school district begins operating a unitary school system--one within which no person is effectively excluded from any school because of race or color.

Applications for assistance under ESAP are submitted to HEW's regional offices for evaluation and approval or disapproval. According to HEW officials, applications were to be reviewed by regional Office of Education personnel for adequacy of program content and adherence to the ESAP regulations. Also, personnel from HEW's Office for Civil Rights located in either the regional or Washington offices were to review the applications for compliance with civil rights matters. Review for compliance with the legal aspects of the regulations was to be performed by personnel from the HEW Office of General Counsel.

Funds under ESAP may be used for such purposes as hiring additional teachers and teacher aides, providing guidance and counseling and other direct services to school children, revising school curriculums, purchasing special equipment, undertaking minor remodeling, supporting community programs, and financing other costs considered necessary to effectively carry out a desegregation plan.

ALLOTMENT OF FUNDS TO STATES

The ESAP regulations provide that the Commissioner of Education distribute ESAP funds among the States by allotting an amount to each State which bears the same ratio to the total amount of funds available as does the total number of minority group children, aged 5 to 17 inclusive, in the eligible school districts in that State to the total number of such minority group children in all eligible school districts in all States. The regulations require that a State in no event receive more than 12.5 percent of the total funds allotted. The regulations provide also that the number of minority group children, aged 5 to 17 inclusive, in the school districts be determined by the Commissioner on the basis of the most recent satisfactory data available to him.

In late August 1970 HEW identified 1,319 school districts that were considered to be potentially eligible for ESAP funds and used the number of minority group children in these districts as a basis for allotting the funds to the States. Most of the statistics on minority group children in the school districts were based on a 1969 Office for Civil Rights survey. For some school districts, however, a combination of information obtained by the Office of Education and the Department of Justice which pertained to 1968 was used because 1969 data was not available.

Office of Education records showed that 25 States and one Territory had been allotted funds under the program. The records further showed that the allotment for Texas, if computed on the basis of the prescribed formula, would have been greater than the 12.5-percent limitation because of the large number of minority group children in the potentially eligible school districts in that State. Therefore the allotment for Texas was set at 12.5 percent of the total funds available for grants to school districts within the States, the maximum amount allowable under the regulations.

HEW records showed also that the Office of Education had not applied the prescribed formula to determine the allotment for the Virgin Islands but had reserved a $50,000 allotment for the territory. This amount was determined to be reasonable by the Office of Education on the basis of the prescribed percentages or stated maximums for territories contained in other Office of Education program legislation.

The amounts allotted for school districts within the 24 States, exclusive of Texas and the Virgin Islands, averaged about $18.65 for each minority child in their potentially eligible school districts. The average amount allotted to Texas was about $17.70 for each minority child; and for the Virgin Islands, the average amount for each minority child was $3.93.

The ESAP regulations also state that the part of any State's allotment which is determined by the Commissioner as not needed may be reallotted so that each State receives the same proportion as that it received of the original allotments and that appropriate adjustments may be made to ensure that no State receives a portion of the funds being reallotted in excess of its needs. Although no reallotment of ESAP funds had been made at the time of our review, public notice was printed in the Federal Register on January 27, 1971, that a reallotment would be made as of March 1, 1971.

PROGRAM STATISTICS

Office of Education statistics show that 18,224 school districts in the United States were operating public schools in the fall of 1969. Of these school districts, 8,611--located in 26 States and the District of Columbia--were under the jurisdiction of the five HEW regional offices whose procedures under ESAP were subject to our review. Of the 8,611 school districts, 1,271 were identified by HEW as potentially eligible for assistance under ESAP as of August 26, 1970, pending final review and determination by HEW. Of these school districts, 792 were reported by the Office of Education as having received financial grants through November 13, 1970. Detailed statistics relating to program participation in the HEW regions included in our review are shown in appendix I.

Of the $75 million appropriated for ESAP, $3.6 million was reserved for the costs of Federal administration and evaluation of the program. Of the remaining $71.4 million, 10 percent ($7.14 million) was reserved for making grants to private nonprofit agencies and public agencies other than school districts, as required by the regulations, and $64.26 million was reserved for making grants to school districts.

The first grant under ESAP--made to the Jackson, Mississippi, school district in the amount of $1.3 million--was approved by the Acting Commissioner of Education on August 27, 1970. By November 13, 1970, 793 grants totaling over $55 million were reported by the Office of Education as having been made. The following table, prepared from HEW reports, shows a breakdown by each regional office of the number and amount of these grants. A further breakdown by State of the number and amount of these grants is shown in appendix II.

HEW region	Number of grants made	Percent of total grants	Amount of grants	Percent of total amount of grants
Region I--Boston	-	-	$ -	-
" II--New York	1	0.1	45,000	0.1
" III--Philadelphia	59	7.5	4,696,253	8.5
" IV--Atlanta	530	66.8	36,194,038	65.2
" V--Chicago	-	-	-	-
" VI--Dallas-Fort Worth	200	25.2	14,324,921	25.8
" VII--Kansas City	1	0.1	57,385	0.1
" VIII--Denver	-	-	-	-
" IX--San Francisco	2	0.3	189,938	0.3
" X--Seattle	-	-	-	-
Total	793	100.0	$55,507,535	100.0

Most of the Federal funds provided have been for the purpose of carrying out special curriculum revisions and teacher-training programs. These two activities account for nearly 50 percent of the funds granted. The table below shows a breakdown by program activity of the funds granted as of November 13, 1970, as reported by HEW.

Program activity	Amount granted	Percent of total
Teacher preparation programs	$13,340,250	24.0
Special curriculum revisions	12,603,730	22.7
" pupil personnel services	9,708,309	17.5
" comprehensive planning	8,360,524	15.1
" community programs	6,022,536	10.9
" student-to-student programs	1,673,226	3.0
Other	3,798,960	6.8
Total	$55,507,535	100.0

BASIS FOR SELECTION OF GRANTS TO BE REVIEWED

In accordance with the Committee's request, we selected 50 grants for examination. As a basis for distribution of the 50 grants among the HEW regions and the States within these regions, we considered the ratio of (1) the number of grants in each HEW regional office to the total number of grants in all regions and (2) the number of grants in each State within a region to the total number of grants in all the States within that region.

Our selection then was made from an HEW report showing the grants to school districts as of November 13, 1970, after having applied the following criteria.

--All grants of $1 million or more would be selected.

--At least two grants in each State would be selected. (If the State had received only one or two grants, we would select all grants.)

--All other grants would be selected at random. (Within each State the grants were listed from high to low dollar amounts so that we would select a mix of both.)

The 50 grants selected totaled about $14 million, or about 25 percent of the approximately $55 million that had been reported as granted to 793 school districts as of November 13, 1970. The following table shows, by HEW regional office, the total number and amount of grants made and those selected for our review. A further breakdown by State and school district of the 50 grants selected for review is shown in appendix III.

	HEW region	Total grants reported as of November 13, 1970 Number	Amount	Grants selected for our review Number	Amount
Region	I--Boston	-	$ -	-	$ -
"	II--New York	1[a]	45,000	-	-
"	III--Philadelphia	59	4,696,253	7	1,103,821
"	IV--Atlanta	530	36,194,038	28	7,323,346
"	V--Chicago	-	-	-	-
"	VI--Dallas-Fort Worth	200	14,324,921	12	5,384,645
"	VII--Kansas City	1	57,385	1	57,385
"	VIII--Denver	-	-	-	-
"	IX--San Francisco	2	189,938	2	189,938
"	X--Seattle	-	-	-	-
	Total	793	$55,507,535	50	$14,059,135

[a]This grant made to the Virgin Islands was excluded in making our selection.

CHAPTER 2

MAJOR PROGRAM REQUIREMENTS

PRIORITIES IN APPROVAL OF APPLICATIONS

The ESAP regulations provide that financial assistance be made available to eligible school districts only to meet special needs resulting from the elimination of racial segregation and discrimination among students and faculty in elementary and secondary schools by contributing to the costs of new or expanded activities designed to achieve successful desegregation and to eliminate discrimination. The regulations require that the Commissioner of Education, in determining whether to provide assistance under ESAP or in fixing the amount thereof, consider such criteria as he deems pertinent, including

--the applicant's relative need for assistance,

--the relative promise of the project in carrying out the purpose of ESAP,

--the extent to which the proposed project deals comprehensively and effectively with problems faced by the school district in achieving and maintaining a desegregated school system, and

--the amount available for assistance under ESAP in relation to the applications pending.

The regulations provide that the Commissioner of Education not approve an application for assistance under ESAP without first affording the appropriate State educational agency a reasonable opportunity to review the application and to make recommendations on it.

AUTHORIZED ACTIVITIES UNDER PROGRAM

The regulations require that projects assisted under ESAP be designed to contribute to achieving and maintaining desegregated school systems and emphasize the carrying out of such activities as

--special community programs designed to assist school systems in implementing desegregation plans,

--special pupil personnel services designed to assist in maintaining quality education during the desegregation process,

--special curriculum revision programs and special teacher preparation programs required to meet the needs of a desegregated student body,

--special student-to-student programs designed to assist students in opening up channels of communication concerning problems resulting from desegregation, and

--special comprehensive planning and logistic support designed to assist in implementing a desegregation plan.

PROJECT APPLICATION REQUIREMENTS

The regulations require that a school district's application for ESAP funds set forth a comprehensive statement of the problems faced by the district in achieving and maintaining a desegregated school system, including a comprehensive assessment of the needs of the children in the system, and describe one or more activities that are designed to comprehensively and effectively meet such problems with the ESAP funds requested. The application also is to include a description of the methods, procedures, and objective criteria to be used by an independent organization to evaluate the effectiveness of each program activity for which funds are being requested.

In addition, the regulations include requirements that a school district give formal assurances, which are contained in the ESAP application form, that

--it will use the ESAP funds made available only to supplement, not to supplant, funds which were available to it from non-Federal sources for purposes which meet the requirements of the program;

--it will make a reasonable effort to utilize other Federal funds available to meet the needs of children;

--it has not engaged and will not engage in the transfer of property or services to any nonpublic school or school system which, at the time of such transfer, practices racial discrimination;

--it will not discriminate in the hiring, assigning, promoting, paying, demoting, or dismissing of teachers and other professional staff who work directly with children or who work on the administrative level on the basis of their being members of minority groups;

--it will ensure that the assignment of teachers and other staff who work directly with children will be made so that the ratio of minority to nonminority teachers and staff in each school is substantially the same as the ratio in the entire school system;

--it will not employ any discriminatory practices or procedures, including testing, in the assignment of children to classes or in carrying out other school activities; and

--it will have published in a local newspaper of general circulation the terms and provisions of the approved project within 30 days of such approval.

COMMUNITY AND STUDENT
PARTICIPATION IN PROGRAM

The regulations provide for the interests of the community to be considered by the school districts in the formulation and administration of

their ESAP projects by requiring that biracial and student advisory committees participate in ESAP.

Each school district receiving an ESAP grant is required to establish a biracial advisory committee if no biracial committee has been formed by the district pursuant to a Federal or State court desegregation order. If a biracial committee has been formed under a court order, the committee is to be given a period of 5 days to review and comment to the school district on its ESAP application before the application is submitted to the Office of Education for approval.

If no biracial committee has been formed pursuant to a court order, the school district is to select at least five but not more than 15 organizations which, in the aggregate, are broadly representative of the minority and nonminority communities to be served. The names of the organizations selected are to be submitted with the district's application. Each organization selected may appoint one member to an advisory committee, and the school district is then to appoint such additional members from the community as may be needed to establish a committee composed of equal numbers of minority and nonminority members, at least one half of whom are to be parents whose children will be directly affected by the district's ESAP project. The biracial advisory committee is to be established within 30 days of approval of the district's application.

The school district is to make public the names of members appointed to the biracial advisory committee. It also is to consult with the committee with respect to policy matters arising in the administration and operation of the ESAP project and to give the committee a reasonable opportunity to observe and comment on all project-related activities.

In addition to submitting other assurances required by the regulations, a school district must submit with its application an assurance that, promptly following the opening of the 1970-71 school year, a student advisory committee will be formed in each secondary school affected by the project which has a student body composed of minority and nonminority group children. The number of minority and nonminority students serving on each such committee is to be equal, and the members are to be selected by the student body. The school district is to consult with the student advisory committee with respect to carrying out the project and establishing standards, regulations, and requirements regarding student activities and affairs.

CHAPTER 3

CONCLUSIONS ON REVIEW OF HEW POLICIES AND PROCEDURES FOR APPROVING GRANTS UNDER ESAP

We believe that, in many cases, school districts did not submit with their applications, nor did HEW regional offices obtain by other means, sufficient information to enable a proper determination that the grants were made in accordance with the ESAP regulations or that the grants were in line with the purpose of the program.

Most of the applications did not contain, as required by the regulations, comprehensive statements of the problems faced in achieving and maintaining desegregated school systems, nor did they contain adequate descriptions of the proposed activities designed to comprehensively and effectively meet such problems. Particularly, there was a lack of documentation as to how the proposed activities would meet the special needs of the children incident to the elimination of racial segregation and discrimination in the schools.

Therefore we believe that the applications in many cases did not provide HEW with an adequate means for determining that project approvals were based upon consideration of such factors as the applicants' needs for assistance, the relative potential of the projects, or the extent to which the projects dealt with the problems faced by the school districts in desegregating their schools.

The files supporting most of the grants reviewed did not evidence full compliance by the school districts with the regulations concerning the formation of biracial and student advisory committees. Also, most of the applications did not contain, contrary to the regulations, adequate descriptions of the methods, procedures, or objective criteria that could be used by an independent organization to evaluate the effectiveness of each project.

Officials in HEW's Atlanta Regional Office, which made 28 of the 50 grants that we reviewed, told us that they generally did not have detailed information beyond that in the project files concerning the program activities set forth in the applications. Some said that they did not have time, prior to grant approval, to seek additional information. They said that they had to rely on school district officials to identify the major problems which the districts faced in desegregating their schools and to propose programs which the officials believed would effectively deal with those problems.

Officials in HEW's Dallas Regional Office, which made 12 of the grants reviewed, agreed, in general, that many of the applications did not contain adequate statements of the problems or descriptions of the activities designed to meet these problems. Officials in both the Dallas and Philadelphia Regional Offices--the Philadelphia office made seven of the grants reviewed--told us that they had satisfied themselves with respect to the merits of the projects, prior to project approval, on the basis of their knowledge of the school districts' problems and of their contacts with

school officials to obtain additional information as considered necessary. There was an almost complete lack of documentation in the files with respect to the additional information that was known to or obtained by, these regional officials on the basis of which they had determined that the projects merited approval.

In the Kansas City and San Francisco Regional Offices which approved a total of three applications, the applications seemed to have provided sufficient information to enable regional officials to determine that the proposed activities were in line with the purposes of ESAP.

We believe that HEW should have questioned, prior to grant approval, the following situations noted during our review.

--One school district appeared to have been ineligible to participate in ESAP because it had entered the terminal phase of its desegregation plan prior to the time period specified in the regulations for eligibility. After we brought the situation to the attention of HEW officials, payments under the grant were suspended, pending a final determination of eligibility. (See p. 20.)

--Information pertaining to another school district indicated that ESAP funds may have been used, contrary to regulations, to supplant non-Federal funds available to the district prior to its grant. (See p. 37.)

--Information in the regional files at the time that one district's application was reviewed showed that the ratio of minority to nonminority faculty in each school within the district was not substantially the same as the ratio for the entire school system, contrary to the regulations. (See p. 59.)

We noted another case in which information that had become available after the grant was made indicated that ESAP funds may have been used to supplant non-Federal funds otherwise available to the school district. For this case, as well as for the other noted above, we plan to examine into whether ESAP funds were used to supplant non-Federal funds. (See p. 37.)

In our opinion, the weaknesses that we observed in the HEW procedures and practices were due, to a large degree, to HEW's policy of emphasizing the emergency nature of ESAP and to its desire for expeditious funding, at the expense of a more thorough review and evaluation of the school districts' applications, particularly as to the adequacy of described program activities in satisfying ESAP requirements.

We believe that, to overcome the weaknesses in the HEW grant approval procedures, HEW should undertake a strong monitoring program to help ensure that the grant funds already made available to the school districts are being used solely for ESAP purposes and not for educational assistance in general. We recognize that postgrant reviews at certain grantee school districts are being made by HEW regional officials.

NEED TO STRENGTHEN GRANT APPROVAL PROCEDURES

We believe that, in the event additional Federal funding is authorized for similar assistance to school districts to defray the costs of meeting special problems arising from the desegregation of elementary and secondary schools, HEW should strengthen its procedures for approval of grants to school districts. Such action should:

--Provide sufficient time for regional officials to make a thorough review and evaluation of each application received so that approval will be based on an understanding of the problems faced in achieving and maintaining a desegregated school system and on an adequate determination that the proposed activities are designed to meet such problems.

--Require that all information relied upon in approving school district applications, whether obtained orally or in writing, be made a matter of record so that the basis upon which grant approvals are made will be readily available to HEW program managers or to others authorized to review the conduct of the program.

--Provide for an effective monitoring system to help ensure that (1) grant funds made available to the school districts are being used for the purposes specified in their applications and (2) the school districts are complying with HEW regulations on nondiscrimination as well as with the other assurances given in their applications.

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The results of our work at the five HEW regional offices, which served as the basis for our overall conclusions, are discussed in the following chapters.

CHAPTER 4

COMMENTS ON HEW ATLANTA REGIONAL OFFICE PROCEDURES FOR APPROVING GRANTS UNDER ESAP

HEW Region IV, with headquarters in Atlanta, Georgia, encompasses the eight States of Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee. According to Office of Education statistics, 1,110 school districts were operating public schools in these States in the fall of 1969. As of August 26, 1970, 773 school districts were identified by HEW as being potentially eligible for assistance under ESAP. Of these 773 school districts, 530 had received grants totaling over $36 million as of November 13, 1970. Our review included 28 of these grants totaling about $7.3 million. (See app. III.)

We believe that the HEW Atlanta Regional Office did not require the school districts to comply with several pertinent requirements of the ESAP regulations. The applications for grants generally did not contain sufficient information to enable HEW to properly determine whether project approvals by HEW Region IV had been based upon consideration, as required by the regulations, of such factors as the applicants' needs for assistance, the relative promise of the projects, and the actual problems faced by the school districts in desegregating their schools. Program officers who reviewed the applications told us that they generally did not have detailed information concerning the subject matter of the applications and did not have time to seek additional information. They said that they had to rely on school district officials to identify the major problems which the districts faced in desegregating their schools and to propose programs which they believed would effectively deal with those problems.

A major factor in the approval of most of the applications which we reviewed appeared to have been a priority ranking of school districts that had been prepared by the HEW headquarters office. (See p. 23.) The priority ranking was used in the HEW regional office to establish the funding level for each school district. We were told by regional officials that these funding levels were intended for use only as control devices to preclude premature depletion of the funds allotted to each State and that the amounts of grants were based upon analyses of the needs documented by the districts. As previously pointed out, however, we noted a general lack of such documentation in the regional files.

Many of the applications reviewed did not describe the proposed program activities in such ways as to provide reasonably clear indications of the purposes for which grant funds would be spent, and the reviewing program officers did not always have what we considered adequate supplementary information in this regard. As a result, a proper determination could not be made, in our opinion, on the basis of the information available within HEW that these grants were for the purposes intended by ESAP--especially with regard to the use of program funds to meet special needs incident to desegregation of the schools.

Most of the applications, in our opinion, did not contain, contrary to the regulations, adequate descriptions of the methods, procedures, and objective criteria that could be used by an independent organization to evaluate the effectiveness of each program activity. Also the files supporting most of the 28 grants did not evidence full compliance by the districts with the regulations concerning the formation of biracial and student advisory committees and the publication of the terms and provisions of the ESAP projects.

Regional officials told us that they had accepted, in the absence of indications to the contrary, the assurances of the school districts that they were not (1) discriminating on the basis of race in teacher and professional staffing patterns, (2) assigning children to classes on the basis of their being members of minority groups, or (3) engaging in the transfer of property or services to any nonpublic school or school system which practiced racial discrimination.

ELIGIBILITY AND FUNDING OF SCHOOL DISTRICTS

Eligibility of school districts

In general, the procedures followed in Region IV for determining the eligibility of applicant school districts were satisfactory. For a few cases in which complaints had been received indicating possible noncompliance with title VI of the Civil Rights Act of 1964, we were informed by Office for Civil Rights officials in Washington that, pending final resolution of such complaints, the benefit of the doubt had been given to the applicant districts in all cases and funding had not been held up.

To allot ESAP funds to the eight States in Region IV, HEW/Washington determined that there were a total of 773 potentially eligible school districts in the region as of August 26, 1970. On the basis of the 2,130,717 minority students in these 773 potentially eligible school districts, the Office of Education, through the use of the formula previously described on page 7, allotted over $39 million to school districts in these States, as set forth below.

State	Number of potentially eligible school districts	Number of minority students	State allotment
Alabama	110	273,274	$ 5,095,008
Florida	64	392,965	7,326,565
Georgia	168	366,648	6,835,902
Kentucky	7	15,021	280,057
Mississippi	149	274,412	5,116,225
North Carolina	125	371,247	6,921,648
South Carolina	92	262,584	4,895,700
Tennessee	58	174,566	3,254,665
Total	773	2,130,717	$39,725,770

The regulations require that a school district, to be eligible for ESAP assistance, must have commenced the terminal phase of its voluntary or court-ordered desegregation plan during the 1968-69, 1969-70, or 1970-71 school year.

Regional officials told us that, at the beginning of ESAP, the Division of Equal Educational Opportunities in Washington had sent Region IV a listing of all potentially eligible school districts in the region and had requested that the list be checked with the regional Office for Civil Rights to determine whether any of the districts were considered to be ineligible to participate in ESAP. These officials said that no record had been kept in the region of the results of this work. An official of the Division of Equal Educational Opportunities in Washington told us that a revised listing of potentially eligible school districts subsequently had been sent to the regions that took into consideration the information provided by Region IV. This listing showed, for each eligible district, the total number of students, the number of minority students, and a numerical priority rating.

To initiate ESAP, a number of conferences were held in the various States between representatives of HEW, the State school offices, and the school districts. The HEW senior program officer said that the State school offices had selected the school districts whose representatives had attended these conferences.

Determinations of school district eligibility in Region IV were made either by officials of the regional Office for Civil Rights or by officials of the HEW Office of General Counsel who were detailed to the region. Regional officials told us that Region IV, Office for Civil Rights determinations had consisted of (1) verifying that a copy of the court order or voluntary plan accompanied the application, (2) checking against available Office for Civil Rights records to determine whether the applicant was considered to be in compliance with the nondiscrimination requirements of title VI of the Civil Rights Act of 1964 and had entered the terminal phase of its desegregation plan within the time limitations stated in the regulations, and (3) reviewing the assurances in the application to verify that they had been signed and that they had not been altered. Of the 28 school districts included in our review, 19 were operating under court-ordered desegregation plans and nine were operating under voluntary desegregation plans.

We reviewed the regional Office for Civil Rights files to determine whether there were any records of complaints against the school districts included in our review that would indicate that the districts were not in compliance with title VI of the Civil Rights Act of 1964.

We were told that the Office for Civil Rights was not responsible for investigating complaints against school districts which had desegregated pursuant to court orders and that any complaints received against such districts were forwarded to the Department of Justice for its consideration. We noted that the region had received complaints against two court-ordered districts included in our review after the date of the most recent court orders but before approval of the ESAP grants. These complaints had been forwarded to the Department of Justice. In addition, there were complaints against two other court-ordered districts, but neither the dates of receipt of the complaints nor the dates of their transmissions to the Department of Justice were shown in the regional files.

Regional officials told us that the Office for Civil Rights had responsibility for investigating complaints against districts which were desegregating under voluntary plans. Regional files contained a record of complaints against two of these districts included in our review--Dillon County School District No. 2, South Carolina, and Columbus County School District, North Carolina.

Indications of possible noncompliance by school districts with the eligibility requirements of ESAP are discussed below.

Apparently ineligible district approved for ESAP grant

The regional files did not contain a copy of the desegregation plan for Jefferson County School District, Kentucky. Information in the file,

however, indicated that Jefferson County had completely desegregated its schools in 1965 using geographic attendance zones and that the county had not made any subsequent changes in the district's plan. According to ESAP regulations, school districts which had entered the terminal phase of their desegregation plans prior to the 1968-69 school year were not eligible for ESAP grants.

In 1968 HEW had questioned the compliance status of the district, because the attendance zones drawn by the district produced one essentially all-black school. The district justified the existence of the all-black school to the satisfaction of HEW, and in February 1969 HEW wrote to the school district advising it that "the present plan [1965] of desegregation satisfies the provisions of Title VI of the Civil Rights Act of 1964."

After we brought this case to the attention of HEW officials, they agreed that the information available indicated that the district had entered the terminal phase of its desegregation plan before the 1968-69 school year and therefore apparently was not eligible to participate in ESAP. Payments on the grant were suspended pending a final determination of eligibility.

Complaint against grantee school district on teacher discrimination upheld by Department of Justice

Regional Office for Civil Rights records pertaining to Talladega County, Alabama, contained notes indicating that, on October 13, 1970, Department of Justice advice was being obtained on "an NEA [National Education Association] teacher firing motion," and that, on November 4, 1970, the county superintendent of schools assured the region that there was no discrimination against teachers in the county. The ESAP grant to Talladega County was approved on November 5, 1970, in the amount of $168,247. As of January 17, 1971, $48,338 in grant funds had been advanced to the Talladega County School District.

Department of Justice officials told us that in September 1970 they had received two complaints (from sources other than HEW) concerning the firing of teachers in Talladega County. Subsequent investigation by the Department of Justice indicated that the complaints were justified, and on January 8, 1971, after the ESAP grant was approved, a court order was filed requiring reinstatement of the dismissed teachers. At the time of our review, the regional Office for Civil Rights had not made a postgrant review at the Talladega County School District to determine whether the district had complied with the court order.

Inquiry concerning downgrading of black principals

On August 24, 1970, HEW received an unsigned inquiry from a student concerning the downgrading of black principals in Dillon School District No. 2, South Carolina. HEW/Washington forwarded the letter to the Region IV Office for Civil Rights on August 28, 1970. The letter was received in the region on September 2, 1970--1 day prior to approval of the district's ESAP application. There was no indication in the regional files

that the letter had been considered during the review of the district's application or that regional officials had been aware of the letter at that time.

On September 24, 1970, regional Office for Civil Rights personnel made a postgrant visit to this school district. As a result of the visit, the regional Office for Civil Rights wrote to the superintendent of the Dillon school district on December 3, 1970, reminding him that the district had not submitted to HEW the job descriptions for the newly created positions of coprincipals in the school system. Also the letter stated that the black coprincipals appeared to be subordinate to the white coprincipals. Therefore the school district was requested to submit the job descriptions of the coprincipals so that a determination could be made as to whether the school district was in compliance with the Civil Rights Act of 1964.

Indication of discrimination
in assignment of students

We noted a complaint against Columbus County School District, North Carolina, involving the acceptance of students from a neighboring school district. An HEW Office of General Counsel official informed us that white students were leaving certain schools in the neighboring county, which was under a Federal court order to desegregate, and attending schools in Columbus County which was operating under a voluntary desegregation plan. On October 22, 1970, the regional Office for Civil Rights advised the superintendent of Columbus County schools that this practice was not acceptable because it was contrary to the nondiscrimination requirements of title VI of the Civil Rights Act of 1964. The superintendent was requested to furnish written assurance that the practice would be discontinued. On October 29, 1970, the superintendent advised Region IV that the students would be reassigned to their school district of residence.

Funding of school districts

A major factor in determining the amount of ESAP grants made to school districts appeared to have been a priority ranking of eligible districts that was established by HEW/Washington and used by Region IV to establish funding levels for each district.

The Office of Education, Washington, established a system for determining the priority ranking of school districts eligible to receive ESAP funds. A letter dated August 24, 1970, from the Director for Education Planning, Office of Assistant Secretary for Planning and Evaluation, to the Acting Commissioner of Education pointed out that in July 1970 the Secretary of HEW had clearly stated that the purpose of ESAP was to fund quality desegregation projects in the school districts where the need was greatest and where the chances of cooperation were best. This letter also stated that two factors would determine the final decision on whether or not a district would receive funds:

--The quality of the comprehensive desegregation plan.

--The priority ranking of the district, determined by factors which combined an estimate of need and compliance probability.

The letter stated also that the Commissioner, meeting with the Advisory Committee on Desegregation, had decided on the following four factors as the determinants of each district's priority ranking.

1. Percent of minority enrollment.

2. Effective date for terminal desegregation.

3. Assessment by the Office for Civil Rights of the likelihood of cooperation and success in the eligible district based on record of past compliance.

4. Proportion of students within a district reassigned as a result of the desegregation plan.

Under the priority-ranking system that was established, points were given for each of the above factors--three points being the highest score and one point being the lowest score for each factor. Thus the highest priority districts would have scores of 12 and the lowest districts scores of four on the combined factors.

Using this priority ranking, regional office officials established a funding level for each school district by multiplying the number of minority students in the district by $28, $18, or $10, depending upon the numerical rating assigned. If the numerical rating was between 10 and 12, the school district's funding level was computed on the basis of $28 for each minority student; if the rating was between 7 and 9, $18 was used; and if the rating was between 4 and 6, $10 was used. HEW officials could not tell us the source of the $28, $18, and $10 figures or how these figures had been determined. The HEW regional senior program officer told us that the

funding levels were intended to be used only as an internal control to ensure that no one district would materially deplete the funds allotted to a State.

The HEW senior program officer also said that the amounts granted to districts were determined by the program officers on the basis of their analyses of the needs documented by the districts. The files which we examined, however, did not, in our judgment, contain either adequately documented needs or evidence of the type of analyses made by program officers that would permit them to determine the applicants' needs for ESAP funds. Some program officers told us that the time available to them for reviewing applications had not permitted in-depth reviews, but others said that applications and proposed programs had been discussed with school district officials by telephone. In most cases, the program officers had not made records of these discussions and they could not recall specifics of the discussions. When records had been made, they generally related to changes necessary to bring proposed programs in line with the established funding levels.

The initial grants to 20 of the 28 school districts included in our review were within 5 percent of the established funding levels--within 2 percent in 16 cases. In 17 cases the grants were for lesser amounts than those requested in the applications, and in 11 of those cases the grants were within 1 percent of the established funding levels. We noted no funding pattern in relation to the funding levels in the other eight grants we reviewed.

A comparison of the established funding levels with the amounts requested by the school districts and the amounts initially granted by Region IV for the 28 districts included in our review follows.

School district	Funding level established by HEW Region IV	Amount requested by school district	Amount of ESAP grant
Alabama:			
Phenix City	$ 74,312	$ 215,588	$ 74,312
Sylacauga	27,468	54,500	27,468
Talladega County	111,916	168,247	168,247
Florida:			
Dade County	1,922,256	2,966,606	1,921,905[a]
Madison County	57,596	50,000	50,000
Wakulla County	9,414	308,314	9,000
Georgia:			
Appling County	17,946	18,313	18,313[b]
Atlanta	1,266,228	1,150,989	1,150,989
Bacon County	6,048	6,000	6,000
Carroll County	30,654	16,000	28,800
Crisp County	68,292	65,925	65,925
Montgomery County	12,690	13,000	13,000
Wilkenson County	26,658	18,000	22,000
Kentucky:			
Jefferson County	32,710	62,480	32,700
Fulton County	4,430	46,595	4,430
Mississippi:			
Harrison County	43,830	80,217	43,000
Hinds County	196,672	190,000	190,000
Houston	14,976	200,000	20,000
Jackson Municipal Separate	330,858	1,300,000	1,300,000
North Carolina:			
Columbus County	118,944	143,258	118,900
Hoke County	89,264	90,240	89,240
Tarboro	44,212	60,732	43,832
Winston-Salem City/ Forsyth County	250,938	390,441	250,738
South Carolina:			
Dillon County No. 2	71,000	100,000	75,000[c]
Greenville County	232,434	696,076	232,188
Orangeburg County No. 7	25,816	39,068	25,568
Tennessee:			
Maury City	1,484	16,500	1,500
Memphis	2,083,564	2,083,564	992,531

[a]Grant subsequently increased to $2,121,905

[b]Grant subsequently increased to $ 38,313

[c]Grant subsequently increased to $ 359,998

PROJECT POTENTIAL AND CONTENT

In our opinion, 25 of the 28 applications included in our review did not contain, contrary to the regulations, comprehensive statements of the problems faced in achieving and maintaining desegregated school systems or adequate descriptions of the proposed activities designed to effectively meet such problems. In addition, the applications did not adequately explain how the proposed activities would meet the special needs of the children incident to the elimination of racial segregation and discrimination in the schools. In only a few cases did the applications show the basis for the dollar amounts requested for the proposed activities. Therefore we believe that the applications, in general, did not provide HEW with an adequate means for determining that ESAP funding decisions had been based on a consideration of the applicants' needs for assistance, the relative potential of the projects, or the extent to which the projects dealt with the actual problems faced by the school districts in desegregating their schools.

We discussed the applications with the program officers who had reviewed them and recommended their approval, to determine whether any additional information concerning the subject matter of the applications was available to them that would support or justify their approval actions. In a few cases, the program officers said that they had been familiar with the situations in the districts or that their experience had provided them with bases for judging the appropriateness of the amounts requested. In most cases, however, the program officers said that they had no additional information concerning the subject matter of the applications but that they had to rely upon local school officials to identify the problems which they were facing in desegregating their schools and to propose programs which would effectively deal with those problems.

The HEW senior program officer told us that the Office of Education had instructed the regional offices, during the early stages of the program, to complete the review and either approve or disapprove the applications within 36 hours of their receipt. Of the 28 applications which we reviewed, 15 had not been approved within the specified time period, but there was ample indication that the processing and approval of applications had been handled on a crash basis.

Following are some examples of applications which, in our opinion, contained inadequate information as to (1) the existence of special needs incident to desegregation of the schools, (2) the nature and scope of proposed activities designed to meet such needs, (3) the relationship of the proposed activities to the special needs of the children, or (4) the basis for the amount of the grant.

Jackson Municipal Separate School District
Jackson, Mississippi

The Jackson Municipal Separate School District applied for and received an ESAP grant of $1.3 million. The budget outline supporting the grant showed that funds were requested for the following general program activities.

Special community programs	$ 103,000
Special curriculum revision programs	676,400
Teacher preparation programs	449,900
Other	70,700
Total	$1,300,000

The application did not contain a narrative statement justifying the $70,700 under the category "Other" but did contain narrative statements under two other categories--Special Student-to-Student Programs and Special Comprehensive Planning and Logistical Support--for which no funds were shown in the budget outline.

Although the general types of programs listed in the Jackson application, as indicated above, are proper for funding under ESAP, we believe that the application did not contain sufficient information to (1) show, in most areas, the existence of special needs incident to the elimination of racial segregation and discrimination among students and faculty, (2) permit a determination that the proposed program activities were related to the problems identified in the application, and (3) provide a basis for evaluating the reasonableness of the amount of the grant.

The "special curriculum revision programs" section of the Jackson application, shown below, is illustrative of the inadequacies in the application.

"SPECIAL CURRICULUM REVISION PROGRAMS

"NEW AND VARIED INSTRUCTIONAL TECHNIQUES AND MATERIALS TO SERVE CHILDREN FROM DIFFERENT ETHNIC AND CULTURAL BACKGROUNDS.

"Problems - Providing each pupil with basic skills of communication and computation as a means of continued learning. (3R's) Assisting pupils with skills to compete effectively and acceptably in a free enterprise society is a specific problem.

"Needs - Needs are the same as the problems.

"NEW TECHNIQUES AND MATERIALS FOR IMPROVED EVALUATION OF STUDENT PROGRESS

"Problems - Changing from a typical lecture, "say-and-do" type of instruction to many techniques that incorporate self-evaluation, discovery, peer-to-peer, etc., to redirect a reservoir of information and materials.

"Needs - The needs for a change in direction to accomplish goals of current everyday living.

"SPECIAL DEMONSTRATION PROJECTS TO INTRODUCE INNOVATIVE INSTRUCTIONAL METHODOLOGIES FOR IMPROVING QUALITY

"Problems - To introduce newer techniques, materials, methods of accomplishment, more effective staff utilization in such techniques as team teaching, differentiated scheduling, aides, flexible scheduling modular scheduling, etc. beginning in selected schools as need is indicated and moving to all schools through plan development.

"Needs - The needs are to redirect instruction to accomplish the above through varied staff approaches and pupil orientation."

The only part of the project description which dealt with the proposed program activity is quoted in its entirety below. The remainder of the description consisted of statements concerning school desegregation in general, fully one half of it quoting a statement by the President as recorded in the Congressional Record for March 24, 1970.

"A program of education redevelopment is essential. It is proposed that the program include five major areas of redevelopment. The initial steps will be "action programs" accompanied by long-range planning. The five major areas of redevelopment are:

"(1) Professional redevelopment of the school system staff to implement immediate innovations and initiate the planning for a continuous program of professional growth.

"(2) Curriculum redevelopment to plan and implement a broader, more relevant, and more flexible curriculum that will meet the identified needs of all pupils.

"(3) Internal management and support redevelopment of the school system operation necessary for effectively planning and carrying out a defined educational program.

"(4) Redevelopment and utilization of community resources so that the improving instructional program can more effectively involve the total community and more efficiently accomplish defined performance objectives.

"(5) Development of a system for continued development and accountability of the total educational system so that innovation can be evaluated and change made economically and efficiently."

The program officer told us that his work on the ESAP application was his first experience with the Jackson school district. He said that, most of his work on the application, aside from eliminating hardware items, had consisted of rearranging the district's earlier proposal so that it would be compatible with the ESAP application form. In response to our questions as to what the specific purposes of the project were and how those purposes were related to special needs incident to the elimination of racial segregation and discrimination among students and faculty, the program officer stated that the biggest problem facing the school district was keeping white

children in the public schools, that the primary purpose of the project was to assist teachers in dealing with a wider range of achievement levels, that the school district needed any help it could get, and that any help the district received would be worthwhile. He could not supply more specific answers.

Concerning the approval of the grant made to the Jackson school district, we noted that the project file contained a copy of a telegram dated August 27, 1970, from the Acting Commissioner of Education to the Superintendent of the Jackson Public Schools advising him that the application for $1.3 million had been approved. The ESAP application, however, was not formally received in Region IV until August 31, 1970. On that day the application was reviewed and approved.

The project file also contained reference to a previous application for $3,764,240. In response to our questions concerning the previous application and the telegram from Washington approving the application for $1.3 million before it was received in the HEW regional office, the program officer for Mississippi related to us essentially the following information.

--Several months before ESAP was approved, Jackson school officials had prepared and taken to Washington an application for about $3.76 million in emergency school assistance funds. After funds for ESAP were approved at only one half of the amount requested by the President, Jackson school officials were informed that their application for $3.76 million could not be approved because of limitations on available funds, and the regional program officer was sent to Jackson to work with local officials to reduce their application to an amount more compatible with the amount of ESAP funds available for the State.

--By eliminating all proposed hardware purchases from the $3.76 million application, the program was reduced to about $700,000, and this information was telephoned to the Deputy Director, Division of Equal Educational Opportunities, Office of Education, Washington. On August 26, 1970, the deputy director telephoned the program officer and told him that Jackson was to be funded for $1.3 million and that an ESAP application should be prepared for that amount.

We also discussed this matter with the Director and the Deputy Director, Division of Equal Educational Opportunities, who provided us with the following additional information.

--After the program officer determined that elimination of hardware items would reduce the Jackson program to about $700,000, the Director and Deputy Director met with the then-Acting Commissioner of Education and it was decided that, since the objective of the Jackson program was to get the schools open without violence, Jackson should be funded for $1.3 million to relieve racial tension. The circumstances surrounding this decision, as related to us, were:

1. The district had received four desegregation court orders in 13 weeks.

2. Even though the schools were open, more than 8,000 students were boycotting classes.

3. More and more white students were going to private schools.

4. The superintendent of schools was resigning.

5. The biracial committee had decided to disband.

6. There had been incidents of violence at Jackson State University.

--The difference between the $1.3 million that was granted and the $700,000 that resulted from elimination of hardware items from the initial proposal (which they said was never formally submitted to HEW) was intended to cover the cost of expanding a computer-assisted instructional program to a number of schools which were being desegregated for the first time.

--Jackson was considered to be a pivotal district in the peaceful desegration of Mississippi schools, and, to ensure peaceful desegregation of the schools in Jackson, HEW considered it essential to demonstrate that quality education was to be made available in previously all-black schools.

Board of Education, Memphis City Schools,
Memphis, Tennessee

The Board of Education, Memphis City Schools, initially requested $2,083,564, which was the funding level established by Region IV for the Memphis district. The amount granted was $992,531. The general activities and related amounts covered by the initial request and the grant were as follows:

Activity	Initial request	Amount granted
Special community programs	$ 283,466	$189,161
Special pupil personnel services	703,279	310,822
Special curriculum revision programs	395,102	153,657
Teacher preparation programs	241,190	21,240
Special student-to-student programs	187,800	90,500
Special comprehensive planning	109,559	101,127
Other	163,168	126,024
Total	$2,083,564	$992,531

The HEW program officer for Tennessee told us that, at the workshop session prior to the filing of the application, an HEW official assisted the district in preparing an application which would approximate the amount of the established funding level for the district. The HEW program officer said that she later had been told that Memphis' project could not be funded for the amount requested, that she had assisted the district in revising the project description, but that she had not been concerned with the amount shown for each activity. She said that her only concern with the budget had been to keep the total amount within the revised ceiling and that the revised amounts requested by Memphis for the various activities had been established by the school district.

The initial application was received in Region IV on September 25, 1970. On September 28, 1970, it was reviewed by three program officers, each of whom recommended funding at $992,531. Final approval was delayed until November 12, 1970, principally because of a question concerning the district's compliance with title VI of the Civil Rights Act of 1964.

In our opinion, the project file lacked information showing how the grant funds were to be used to meet special needs incident to the elimination of racial segregation and discrimination among students and faculty. Illustrative of such inadequacies are the following excerpts from the application.

Employment of
secondary guidance counselors
and secondary counselor aides

The district set forth the following problem in the area of providing guidance counselors in the secondary schools.

> "There is in our increasingly complex society, a great need for more individual counseling and guidance, especially as it relates to vocational exploration, long range educational planning and human relations. The pupil-counselor ratio in the Memphis City Schools is such that this individual attention is sometimes difficult."

To deal with this problem, the district's project provides for employing 11 additional counselors, 22 counselor-aides, and two "area specialists"--one to supervise the counselors and the other to oversee the activities of the counselor-aides--at a total cost of $182,264.

Staffing and maintaining a mobile zoo

Under the program activity "Special Curriculum Revision Programs," the district set forth the following problem.

> "The City of Memphis has a $14,000 Mobile Zoo trailer, with both heating and air conditioning. This new trailer arrived in Memphis at the end of this summer so as to serve only two days in the summer park system programs. The only other vehicle of this type was purchased at the same time for New York City. The Memphis Mobile Zoo is available from the City of Memphis Park Commission with assistance from the Memphis Zoo for use in the Memphis City Schools. The problem is the staffing of the trailer, and maintaining it and a one ton truck to pull the trailer."

To deal with this problem, the district proposed to employ one area specialist, one aide, and one truck driver; to purchase one truck with trailer hitch; to renovate the main cage of the trailer; to acquire domestic and wild animals, and necessary equipment, materials, feed and supplies; and to operate and maintain the mobile zoo, at a total cost of $14,979.

Using the newspaper as an instructional tool

Also under the program activity "Special Curriculum Revision Programs," the district stated the following problem.

> "Many disadvantaged children are 'turned off' by books and other school type materials. On the other hand, teenagers and pre-teens are interested in the world about them. From past experiences, teachers have discovered that students are very much interested in reading the daily newspaper. Newspapers used this year met with tremendous enthusiasm on the part of students."

To deal with this problem the district proposed to purchase "Newspaper Subscriptions @ $0.05 each" at a total cost of $25,000.

The program officer told us that her work on the ESAP application was her first exposure to the Memphis school system. She acknowledged that high student-to-counselor ratios had been experienced by most school systems

and that this problem was not related to elimination of racial segregation and discrimination. She said, however, that the problem was more pronounced in desegregated schools--especially those with high proportions of minority students. The program officer said also that she did not know of any particular problem faced by Memphis that was not common to other desegregated districts having large numbers of minority students. She stated that the mobile zoo would permit black and white children to be exposed to animals and that the newspapers would help to alleviate problems in instructional programs.

In view of the kinds of problems described in the Memphis application, as shown above, and after considering the views of the program officer, we believe that HEW had insufficient information upon which to base a decision that the grant funds were to be used to meet special needs incident to desegregation of the district's schools.

Orangeburg County School District No. 7
Elloree, South Carolina

Orangeburg County School District No. 7 applied for ESAP funds in the amount of $39,068 and received a grant of $25,568.

The budget outlines submitted by the district in its application and revised by HEW were as follows:

Activity	Submitted	Revised
Special pupil personnel services	$12,000	$12,000
Special curriculum revision programs	20,300	6,800
Teacher preparation programs	6,768	6,768
Total	$39,068	$25,568

Information in the project file showed that the application was received in Region IV on September 4, 1970, and that the review and approval process had been completed on the same date.

Under the activity "Special Curriculum Revision Programs," the district outlined a single problem and need as follows:

> "Problem - There is no fully equipped science center in the district. A regular classroom without water or proper lab facilities is all that is available.
>
> "Need - A science laboratory fully equipped for student use with a revised instructional approach is needed to answer this dire need."

The application did not contain any other description of the program which the district proposed to pursue with the $20,300 requested for curriculum revision. The file did not contain any indication of the activity to be funded with the $6,800 provided for curriculum revision.

In our opinion, the project file contained insufficient information to (1) show the existence of a special need incident to the elimination of racial segregation and discrimination among students and faculty and (2) evaluate the reasonableness of the amounts requested or granted.

The uncertainty of the purposes of the grant was demonstrated, we believe, in an exchange of correspondence between the school district superintendent and regional officials. On October 13, 1970, the superintendent wrote to the Office of Education grants officer, saying:

> "Since you only approved $6,500 for building under Special Curriculum Revision, I am asking you to please let me transfer this amount to renovation and repair of existing buildings."

On October 26, 1970, the HEW senior program officer responded to the superintendent's request, saying:

> "After studying this request and the proposal originally approved, this office is unable to grant approval. As you know requests for building changes have a low priority in the ESA Program, and your request does not have sufficient information about the need for this change."

Use of ESAP funds for new construction or for major structural changes to existing buildings is prohibited by the general terms and conditions of the grants.

The Region IV program officer who reviewed the application told us that he thought that the science center could be related to a special need incident to the elimination of racial segregation and discrimination, because curriculum revision was always necessary in all desegregated systems to meet the needs of all students. In response to our question as to the purpose of the amount granted to the district for curriculum revision, the program officer said that he had assumed that the funds would be spent to improve the science curriculum.

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The following examples demonstrate the apparent reliance upon the funding levels in establishing the amounts granted to districts.

Winston-Salem City/Forsyth County
Board of Education
Winston-Salem, North Carolina

In the priority ranking, the Winston-Salem City/Forsyth County Board of Education, was assigned a numerical rating of 9, which meant that its funding level would be determined by multiplying the number of minority students in the district by $18. On this basis the established funding level for the district was $250,938.

On September 21, 1970, an application was received from the district for $390,441 in ESAP funds. This amount equals the number of minority students in the district multiplied by $28--the amount used in establishing funding levels for districts with a numerical rating between 10 and 12 in the priority ranking.

There was a note in the file, signed by one of the reviewing officials, showing that on September 25, 1970, the program officer had called the school district superintendent to explain that it would be necessary to reduce the district's budget to $250,938. The note showed also that the district previously had been given an incorrect figure as to its funding level.

The district submitted a revised budget outline for $250,738, which was received in Region IV on October 8, 1970, and which was reviewed and approved on October 9, 1970. In transmitting the revised budget the superintendent stated:

> "A reduction of this amount will necessarily affect the level of project services. In fact, the reduction resulted in the complete elimination of Special Pupil Personnel Services. While the other activities described in our project narrative are still intact, they have been cut back appreciably. A comparison of the original budget with the enclosed revised budget shows the degree by which each activity was reduced."

The narrative in the grant application did not indicate the nature of the changes intended in the project activities.

In addition, we noted that the district's application listed a number of problems in the areas of curriculum revision and teacher preparation, such as

--widely divergent levels of student academic performance;

--large number of students deficient in reading and other communication skills;

--instructional and human relations;

--inadequate time for teachers to participate in staff development workshops and other inservice activities; and

--at the high school level, much of the teachers' time must be spent in supervision of study halls.

In response to our inquiry as to how these problems represented special needs incident to the elimination of racial segregation among the students and faculty, the program officer acknowledged that these problems existed apart from the desegregation process but said that desegregation made the problems more pronounced.

Fulton County Board of Education
Hickman, Kentucky

The application of the Fulton County Board of Education for ESAP funds and other documents in the files indicated the existence of serious racial tension in the Fulton County schools, which had culminated in a suit in the Federal courts over the expulsion of eight black students from the high school. The district attributed its problems of racial tension to a number of factors, including overcrowded facilities and inadequate numbers of employees. The application indicated that the crowded conditions and the dissent between the races could be greatly reduced by the purchase of two mobile classroom units and by the employment of two additional teacher-aides, one additional guidance counselor, and one registered nurse.

The district requested ESAP funds of $46,595 for the following activities.

Special pupil personnel services (guidance counselor and nurse)	$18,479
Teacher preparation programs (teacher-aides)	4,716
Special comprehensive planning (mobile classroom units)	23,400
Total	$46,595

The application was received in Region IV on September 5, 1970, and assigned on that date to three program officers for review. Two program officers recommended that the application be funded for $4,430--$2,072 for special pupil personnel services and $2,358 for teacher preparation programs. The third program officer recommended funding for $4,500--all for teacher preparation programs. The established funding level for the district was $4,430.

On September 8, 1970, the superintendent wrote to HEW that, in compliance with suggestions made by the program officer for Kentucky, the district had revised its budget outline to show special pupil personnel services at $2,072 and teacher preparation programs at $2,358, making a total of $4,430, the amount of the established funding level. The review sheet, prepared by the program officer, showed that employment of a guidance counselor and a nurse was considered to be a long-range need but there was nothing in the file to show what activities were intended to be accomplished with the amount granted. The program officer could not recall why she had thought the guidance counselor, the nurse, or the classrooms were not needed. She said that the intention was that the funds granted would be used to hire teacher and counselor aides and that this intention had been communicated to the district by telephone.

SUPPLEMENTING AND SUPPLANTING OF FUNDS

All but one of the 28 applications included in our review contained, as required by the regulations, signed assurances that ESAP funds would be used only to supplement, not supplant, funds which were available to the school district from non-Federal sources for purposes that met the requirements of the program. In addition, the application form requires a statement of the amount of non-Federal funds available to the school district both before and after desegregation and an explanation of any decrease in the amount after desegregation. Regional officials told us that they had accepted the signed assurances at face value, in the absence of an indication that the assurances were not valid.

In the applications filed by Hoke County, North Carolina; Dade County, Florida; and Jackson, Mississippi; the amounts of non-Federal funds available before and after desegregation were not shown. Also, the assurances in the Hoke County application were not signed. The applications filed by Houston, Mississippi; Tarboro, North Carolina; and Winston-Salem City/ Forsyth County, North Carolina, indicated that there were no non-Federal funds available either before or after desegregation.

The program officer for Hoke County told us that the grant should not have been approved without the assurances being signed and that he would get them signed as soon as possible. The program officers for the other school districts offered no explanations for approval of the applications lacking of required information but stated that they would follow up on this matter during their postgrant reviews to these districts.

The application filed by Hinds County, Mississippi, showed a decrease of $629,000 in non-Federal funds available after implementation of the desegregation plan but attributed this decrease to a decline in enrollment and to the formation of a new school district. Also the Carroll County, Georgia, application showed a decrease of $189,150 in such funds and attributed it to a decline in transportation needs.

We noted one case in which information on the application indicated the possibility that ESAP funds might be used to supplant non-Federal funds available to the school district before desegregation. Crisp County, Georgia, applied for and received $55,125 to hire 21 teacher-aides. The application showed, under the school district's planned program for the 1970-71 school year, that, without ESAP funds, eight teacher-aides could be hired but that, with ESAP funds, 21 aides could be hired. Since ESAP funds were provided for all 21 teacher-aides, it appears that the non-Federal funds available for the eight aides who would have been hired in the absence of ESAP may have been supplanted with ESAP funds.

We noted another case where information became available after the grant was made that indicated that ESAP funds might have been used to supplant non-Federal funds otherwise available to the school district. Madison County, Florida, applied for $50,000 to purchase five relocatable classroom units. On September 10, 1970, the district's application was approved for $50,000, but HEW changed the amount for the relocatable classroom units to $48,000 and provided $1,500 for teacher preparation

programs and $500 for special student-to-student programs (with no detail explanation as to the specific purpose of the funds provided for these other activities). On October 22, 1970, the district's request for an advance of funds showed that a contract for construction of the relocatable classroom units was awarded on August 7, 1970. Since funds for ESAP were not appropriated until August 18, 1970, and since the district's application was not approved until September 10, 1970, it appears that ESAP funds may have been used to supplant non-Federal funds which would have been required to pay for the relocatable units if the ESAP grant had not been made.

We intend, in our follow-on visit to the Crisp County and Madison County school districts, to examine into the possibility that ESAP funds were used to supplant non-Federal funds.

ADEQUACY OF PROCEDURES FOR EVALUATION OF PROJECT EFFECTIVENESS

In our opinion, the applications for most of the 28 grants included in our review did not contain, contrary to the regulations, adequate descriptions of methods, procedures, and objective criteria which would permit an independent evaluation of the effectiveness of the projects assisted. We noted that certain applications showed goals of, or expected achievements from, planned evaluations of program activities but that they did not show the methods or objective criteria which could be used to measure the success of the activities.

TRANSFER OF PROPERTY TO NONPUBLIC SEGREGATED SCHOOLS

All but one of the 28 applications included in our review contained, as required by the regulations, signed assurances that the applicants had not engaged in, and would not engage in, the transfer of property or services to any nonpublic school or school system which practiced racial discrimination.

HEW officials told us that the assurances were accepted at face value, in the absence of information to indicate that they were not valid, and that no other information concerning possible transfers to nonpublic schools had been sought in the review and approval of the applications. As previously mentioned, the assurances in the application filed by Hoke County, North Carolina, had not been signed. None of the applications we examined showed the transfer of property to nonpublic schools.

Regional officials told us that transfers of property to nonpublic schools would be considered during their postgrant reviews at the school districts.

TEACHER AND STAFF ASSIGNMENT AND SEGREGATED CLASSES

The regulations require assurances that (1) teachers and staff members who work directly with children at a school will be assigned in a manner

that will result in the ratio of minority to nonminority teachers and to other staff in each school that is substantially the same as the ratio for the entire school system and (2) no discriminatory practices or procedures, including testing, will be employed in the assignment of children to classes or in carrying out other school activities.

Program officers told us that these assurances by school district officials were accepted at face value, in the absence of an indication that they were not valid, and that no other information on this point had been sought in the review and approval of the applications. As previously stated, the assurances in the application filed by Hoke County, North Carolina, had not been signed.

ESTABLISHMENT OF ADVISORY COMMITTEES

Biracial advisory committees

The files for three of the 28 school districts included in our review (Dade County, Florida; Atlanta, Georgia; and Jackson, Mississippi) showed that the districts had biracial committees formed pursuant to a court order. The files for these districts contained evidence that the biracial committees concurred in the applications submitted by the districts.

The files for 11 of the remaining 25 districts either (1) indicated that committees which met the requirements of the regulations had been formed or (2) listed the names of five to 15 organizations which would be asked to appoint members to biracial committees. Some of these districts stated in their applications that appropriate committees would be formed within 30 days after approval of the grant.

The applications submitted by the remaining 14 districts did not satisfy the requirements of the regulations with respect to the formation of biracial committees in that they (1) did not list organizations from which members had been or would be appointed, (2) did not show the race of committee members or did not meet requirements for equal representation of minority and nonminority membership, (3) did not show that at least 50 percent of committee membership were parents of children directly affected by the program, or (4) listed committees which had been appointed by local officials, apparently without the benefit of assistance from organizations representative of the communities to be served by the programs. Program officers told us that they generally assumed proper biracial committees would be formed and that the formation and functioning of such committees would be followed up on during their postgrant reviews.

Student advisory committees

The applications filed by 21 of the 28 districts included in our review did not contain, contrary to the regulations, assurances that a student advisory committee would be formed in each secondary school affected by the project. The project proposed by one district (Tarboro, North Carolina) did not involve any secondary schools.

We believe that the districts may not have furnished these assurances because the application form does not contain this assurance item and the instructions for completing the form do not mention it.

The comments of program officers concerning student advisory committees were essentially the same as those concerning biracial advisory committees.

PUBLICATION OF PROJECT TERMS

The regulations require an assurance that the applicant will, within 30 days after project approval, have published in a local newspaper of general circulation either the terms and provisions of the approved project or pertinent information as to where and how the terms and provisions of the approved project are reasonably available to the public. Program officers told us that the assurances provided by the school districts were accepted at face value and that verifications of publication would be made during their postgrant reviews at the school districts.

CHAPTER 5

COMMENTS ON HEW DALLAS REGIONAL OFFICE PROCEDURES FOR APPROVING GRANTS UNDER ESAP

HEW Region VI, with headquarters in Dallas, Texas, encompasses the five States of Arkansas, Louisiana, New Mexico, Oklahoma, and Texas. According to Office of Education statistics, 2,432 school districts were operating public schools in these States in the fall of 1969. As of August 26, 1970, 387 school districts were identified by HEW as being potentially eligible for assistance under ESAP. Of these 387 school districts, 200 had received grants totaling over $14 million as of November 13, 1970. Our review included 12 of these grants totaling about $5.4 million. (See app. III.)

We believe that the Dallas Regional Office did not require the school districts to comply with several pertinent requirements of the ESAP regulations. In our opinion, the majority of the applications did not contain, although required by regulations, comprehensive statements of the problems faced in achieving and maintaining desegregated school systems, nor did they contain adequate descriptions of proposed activities designed to effectively meet such problems. Particularly, there was a lack of documentation as to how the proposed activities would meet the children's special needs resulting from the elimination of racial segregation and discrimination in the schools.

Regional officials in general agreed that the applications did not contain adequate statements of the problems or descriptions of the activities designed to meet these problems. They told us, however, that they had satisfied themselves in these respects, prior to project approval, on the basis of their knowledge of the school districts' problems and their contacts with school officials in obtaining additional information. The additional information that was known or obtained, however, was not documented in the project files. We were, therefore, unable to determine whether ESAP funding decisions were based on consideration of the applicants' needs for assistance, the relative potential of the projects, or the extent to which the projects dealt with the problems faced by the school districts in desegregating their schools.

Most of the applications, in our opinion, did not contain, although required by regulations, an adequate description of the methods, procedures, and objective criteria, which could be used by an independent organization to evaluate the effectiveness of each program activity.

The files supporting most of the 12 grants did not evidence full compliance by the districts with the regulations concerning the formation of biracial and student advisory committees and publication of the terms and provisions of the ESAP projects.

We noted that Louisiana law requires that school districts furnish school books and supplies to students in private schools and that transportation may be furnished to students attending parochial schools. Regional officials contacted 14 Louisiana school districts prior to grant approval and

determined that the majority had transferred property or provided transportation to private schools under the State law. HEW officials advised us, however, that they had decided to certify the Louisiana school districts as eligible for ESAP funding if they had no indications of civil rights violations other than the transfers allowed by Louisiana law.

We did not note any information in the regional office files which indicated that the school districts (1) were discriminating on the basis of race in teacher and professional staffing patterns, (2) were assigning children to classes on the basis of their being members of minority groups, or (3) would use their ESAP grants to supplant funds which were available to them from non-Federal sources for purposes of the program.

ELIGIBILITY AND FUNDING OF SCHOOL DISTRICTS

To allot ESAP funds to the five States in Region VI, HEW/Washington determined that there were a total of 387 potentially eligible school districts in the region as of August 26, 1970. Because there were 911,852 minority students in these 387 potentially eligible school districts, the Office of Education, through use of the formula previously described on page 7, allotted over $16 million to school districts in these States, as set forth below.

State (note a)	Number of potentially eligible school districts	Number of minority students	State allotment
Arkansas	126	105,527	$ 1,967,479
Louisiana	65	338,765	6,316,043
Oklahoma	22	14,312	266,837
Texas	174	453,248	8,026,875
Total	387	911,852	$16,577,234

[a]Region VI also includes the State of New Mexico. However, since this State had no school districts implementing court-ordered or voluntary desegregation plans, it could not qualify for assistance and did not receive an allotment.

The regulations require that a school district, to be eligible for ESAP assistance, must have commenced the terminal phase of its voluntary or court-ordered desegregation plan during either the 1968-69, 1969-70, or 1970-71 school year.

Region VI required applicants to submit an assurance of compliance with this regulation and a copy of their desegregation plans. Our review of the 12 projects showed that the applicants had submitted data which appeared to be satisfactory in this regard. Of the 12 school districts, nine were operating under voluntary desegregation plans and three were operating under Federal-court-ordered plans.

The Chief of the Education Division, Office for Civil Rights, told us that the definition of the terminal phase of a desegregation plan, as applied in Region VI, meant the beginning of that phase of the plan where no schools within a school district were racially identifiable; i.e., where there was no assignment of students and teachers to schools on the basis of race, color, religion, or national origin.

The official told us that, in the case of a court-ordered desegregation plan, his office relied strictly on the date set by the court in determining whether the applicant was in the terminal phase as defined by the regulations. He indicated that there would be little, if any, other information available since the Department of Justice was responsible for monitoring a school district's compliance with court-ordered desegregation plans and that his office had not been involved with school districts which were desegregating under court order until ESAP was implemented.

With respect to a voluntary desegregation plan, the Chief of the Education Division told us that his office also relied on the date that the school district implemented its desegregation plan in determining whether the applicant was in the terminal phase. He explained, however, that, in the case of a school district under a voluntary plan, his office would have a file on the district which would contain information on whether the voluntary plan had been approved by HEW and whether there was any indication of noncompliance based on past onsite reviews, pregrant audits, or complaints received from the district.

HEW determined, on the basis of the foregoing factors, that each of the 12 school districts included in our review were in the terminal phase of desegregation prior to project approval.

After ESAP funds were allotted by HEW/Washington to the States in Region VI, regional officials established maximum funding levels for eligible school districts within each State using the priority ranking system established by the Office of Education, Washington. (See p. 23.)

The senior program officer told us that the amounts so computed were used as control figures, in that applicant school districts could not be approved for funding in excess of these amounts. He said that such a control was necessary in the early stages of the program to ensure that available funding would not be exhausted before all eligible districts had an opportunity to participate, because it was not known how many eligible districts would submit applications. He told us also that, as the program progressed, it became evident that not all school districts would be eligible for assistance and that others would not wish to participate in the program. As a result, additional funds were available to supplement those projects that had already been approved and to increase the funding level, where justified, of projects pending approval.

Regional officials told us that school districts were not notified of the maximum funding levels until after they had developed their proposed programs. The officials stated that, during initial workshop conferences and in orientation conferences held in each State prior to the workshop sessions, school district officials were asked to identify their most critical desegregation problems and to develop program activities that would

contribute to solving these problems. The senior program officer said that the estimated costs of programs developed by the school districts, in most instances, were in excess of their established funding levels and that during the workshop sessions regional officials assisted the school districts in revising their proposals downward to stay within their funding levels. Generally, the results of these workshop sessions were not documented in the project files.

We compared the amounts established as maximum funding levels with the amounts of the grants initially received by the 12 school districts included in our review and found that eight districts received grants that were within 3 percent of their established funding levels. The other four grants were substantially above or below the school districts' funding levels. We noted also that four of the districts, which were initially funded at less than their maximum funding levels, later received supplemental grants which resulted in their total grant amounts exceeding their funding levels. Generally, the inadequacies, noted by us in the basic applications, of the descriptions of problems incident to desegregation and needs of the school districts were true of the requests for supplemental funds. These inadequacies are discussed in detail in the following section of this report.

PROJECT POTENTIAL AND CONTENT

We believe that, of the 12 applications included in our review, at least seven had inadequate information concerning the problems faced by the school district in achieving and maintaining a desegregated school system; particularly, the assessments of the needs of the children in the school systems appeared to be inadequate. We believe also that 10 applications, including the seven above, did not, in many areas, provide sufficient information to establish the existence of special needs incident to desegregation.

Regional officials in general agreed that the applications did not contain adequate statements of the problems or descriptions of the activities designed to meet these problems. They told us, however, that they had satisfied themselves in these respects, prior to project approval, on the basis of their knowledge of the school districts' problems and their contacts with school officials in obtaining additional information considered necessary. The additional information that was known or obtained, however, was not documented in the project files. Therefore, we were unable to determine whether ESAP funding decisions were based on a consideration of the applicants' needs for assistance and the relative potential of the projects.

The following is an example of a description of a problem contained in a grant application which we believe was not adequate to show that the problem resulted from desegregation activities.

Houston Independent School District
Houston, Texas

The Regional Commissioner of Education approved ESAP funding in the amount of $212,792 for the Houston Independent School District under the category of "special curriculum revision" programs. The applicant's entire statement of the problem in that area was:

> "The relevancy of all curricula, and especially the social studies curriculum, are suspect in a multi-ethnic school environment."

We believe that this statement is nebulous and does not effectively deal with specific problems that may have existed at the time the application was submitted or that may be expected to develop if a curriculum revision is not forthcoming. Furthermore, the application did not include a comprehensive assessment of the needs of the children in terms of curriculum revision nor did it provide sufficient information to allow a determination that this was an emergency problem resulting from the desegregation of the Houston school system.

The program officer agreed that the Houston application was not adequate to provide a basis for a funding decision. However, he told us that, on the basis of the regional reviewers' knowledge of the school district, the information provided in the application, and the additional contact with the school administrators, the regional reviewers had been able to assure themselves that emergency problems stemming from desegregation did in fact exist, that the needs were valid in light of the problems faced, and that

the proposed projects were designed to effectively deal with these problems. He told us that he had obtained information from school district officials which indicated that the district's curriculum was geared primarily to white students and was not related to needs of students of other ethnic backgrounds. On this basis he concluded that the curriculum revision program was needed. This information, however, was not documented in the project file.

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The following are examples of inadequate descriptions of proposed activities set forth in certain applications which did not show how the proposed activities would help meet the special needs incident to the elimination of segregation as required by the regulations.

Orleans Parish School Board
New Orleans, Louisiana

The Regional Commissioner of Education approved ESAP funding in the amount of $1,953,400 for the Orleans Parish School Board (New Orleans, Louisiana) on October 19, 1970. We noted in our review of the application that items in the approved budget totaling $372,500 (or about 19 percent of the total) were neither described nor accounted for in the cost breakdown or narrative sections of the application. Therefore, regional officials were not aware of the purposes for which these grant funds were to be spent. As a result of our questioning the adequacy of the information supporting this portion of the grant, regional officials wrote to the grantee on December 23, 1970, requesting that proper justification of these items be submitted to the regional office.

San Antonio Independent School District
San Antonio, Texas

The Regional Commissioner of Education approved ESAP funding in the amount of $1,165,300 for the San Antonio Independent School District (San Antonio, Texas) on October 14, 1970. Our review of the application showed that funds in the amount of $105,120 were approved for a community information program designed to promote acceptance of desegregation by accurately informing parents, students, and patrons concerning the goals and activities of the school. The application outlined considerable costs for employee salaries, contracted services, and supplies and equipment, without any description as to how these personnel and supplies and equipment were to be used to solve the communication problem.

Also, funds in the amount of $104,630 were approved for this project under "special pupil personnel services," for the hiring of diagnosticians to conduct physiological and psychological evaluations of 1,000 pupils. The application did not describe the qualifications of the personnel to be employed, the evaluations to be performed, nor how the evaluations would meet the special needs of the school district.

The program officer agreed that the San Antonio application was not comprehensive but told us that the funding decision was based on his

knowledge of the school district, the information in the application, and additional information obtained from the applicant as considered necessary. He said that he had obtained the additional information from the applicant on how the personnel and supplies and equipment were to be used to solve the communication problem, the qualifications of the diagnosticians to be hired, and the type of evaluations they would perform. However, the information obtained was not documented in the project file.

Jackson Parish School Board
Jonesboro, Louisiana

The Regional Commissioner of Education approved ESAP funding in the amount of $42,000 for the Jackson Parish School Board (Jonesboro, Louisiana) on October 2, 1970. The applicant had requested $43,000--$23,000 under special curriculum revision programs and $20,000 under special comprehensive planning. However, the regional reviewers deleted $13,000 from special curriculum revision programs and the entire $20,000 from special comprehensive planning. They then added a total of $32,000 under a new activity--teacher preparation programs--through telephone negotiations with the applicant. The applicant, however, was not required to submit any new information to define the problem or describe how the new activity would be accomplished.

We discussed the lack of information in the application with the program officer who informed us that, during his discussions with representatives of the school district, it was determined that the district had a greater need for a teacher preparation program, which consisted primarily of hiring teacher aides, than it had for the program activities deleted from the application. However, the information which was used as a basis for the determination was not documented in the project file.

SUPPLEMENTING AND SUPPLANTING OF FUNDS

The applications submitted by the 12 school districts covered in our review contained, as required by the regulations, signed assurances that ESAP funds would be used only to supplement non-Federal funds available to the school district for the purposes of the program.

We were advised by the senior program officer that, in those instances where the application showed that non-Federal funds available to a school district had increased after its court-ordered or voluntary desegregation plan was implemented, the program officers were not concerned and performed no investigative efforts. He said that, in those instances where a decrease in non-Federal funds was shown and proper justification was not contained in the application, further investigation was made. He pointed out that, to determine the validity of this type of information, an audit of the applicant's records would be required.

ADEQUACY OF PROCEDURES FOR EVALUATION OF PROJECT EFFECTIVENESS

In our opinion, eight of the 12 applications we reviewed did not contain, although required by the regulations, an adequate description of the methods, procedures, and objective criteria that could be used by an

independent organization to evaluate the effectiveness of each program activity.

We found that certain applicants showed goals of, or expected achievement from, planned evaluations of program activities. They did not show methods or objective criteria which could be used to measure the success of the activity. For example, the Regional Commissioner approved ESAP funding in the amount of $1,165,300 for the San Antonio Independent School District (San Antonio, Texas) on October 14, 1970, including $220,785 for special community programs. Concerning this program category, the following comments appeared with respect to evaluating the effects of two of the activities.

1. "If the proposed activities are successful, there will be an increased understanding of the school's goals and greater acceptance of desegregation efforts."

2. "If the proposed procedures are successful, a higher percentage of the patrons of the school will become more aware of the school's major goals."

No comments were set forth as to the methods, procedures, or objective criteria to be used in evaluating the activities.

For some of the proposed activities, the applications did not contain any comments relative to the procedures and criteria for evaluating program activities and the program officers did not obtain the submission of the required information.

TRANSFER OF PROPERTY TO
NONPUBLIC SEGREGATED SCHOOLS

All 12 applications included in our review contained, as required by the regulations, a signed assurance that the applicant had not engaged, and would not engage, in the transfer of property or services to any nonpublic school or school system which practiced discrimination.

The Chief of the Education Division, Office for Civil Rights, Region VI, said that, when an application was received, his office performed either a file review or a pregrant audit at the school district and, on the basis of the results, certified to the regional Office of Education that the applicant was or was not in compliance with the nondiscrimination requirements of the regulations.

He explained that during the file review the most current report on an onsite visit and any information on complaints or alleged civil rights violations in the district subsequent to such visit were considered. He added that, if the applicant was under a court-ordered desegregation plan, his staff relied on the written assurance of the school district that it was in compliance with the court order since there would be very little, if any, information in the files on such districts. He said that the only instances where his office did not rely solely on the applicant's assurance was when a pregrant audit was made. He explained that a pregrant audit involved a visit to the applicant school district and a thorough check of all aspects of civil rights compliance.

Three of the 12 school districts were operating under Federal court-ordered desegregation plans. In two of these cases, regional officials relied completely on the assurance of the applicants that they would comply with the court order. No site visits, pregrant audits, or other types of investigation were made prior to project approval as a basis for regional certification that these two applicants were in compliance with this requirement of the regulations. Regional officials performed a pregrant audit for the other court-ordered district on October 14, 1970, 5 days prior to grant approval, which showed that the applicant was in compliance with the regulation requirement.

The other nine school districts were operating under voluntary plans of desegregation. For these school districts, no pregrant audits were made and regional certifications of compliance were based on reviews of the existing files for each school district. Our review of the files of these nine districts showed that the region had made onsite visits to eight of them. Six of the eight onsite visits had been made from 10 to 11 months prior to the dates of grant approval and two were made within 1 week of the grant approval dates. The reports on the onsite visits did not show any civil rights problems, and the files did not contain any evidence of civil rights complaints or violations at the time such grants were approved.

Transfer of property
under Louisiana law

The Chief of the Education Division, Office for Civil Rights, Region VI, told us that the Louisiana State law provides that school districts

furnish school books and school supplies to students in private schools and that transportation may be furnished to students attending parochial schools. He said that, after giving consideration to the Louisiana State law and other indications of possible violations, regional officials decided in early September 1970 that they could not at that time certify that the Louisiana school districts were in compliance with the nondiscrimination requirements of the regulations and the officials requested a ruling from the Office for Civil Rights, Washington, on the eligibility of the school districts for ESAP funding. At that time, the school district applications were placed in a "hold" status awaiting a decision by the Washington office.

Pending the decision by the Washington office, the regional officials decided to make pregrant audits of 14 Louisiana school districts to determine whether these school districts had made transfers to private schools and whether the districts were complying with the nondiscrimination requirements of the regulations.

The Chief of the Education Division told us that during the pregrant audits, the superintendent of each school district signed a separate statement which certified that the district either did or did not transfer property or provide transportation to private schools. He said that, through the pregrant audits and telephone conversations, it was determined that a majority of the school districts did transfer property or provide transportation to private schools.

For the two Louisiana districts included in our review, Orleans Parish was audited by the HEW regional office before grant approval and Jackson Parish was audited after grant approval. These audits revealed that neither district had transferred property or provided transportation to private schools.

The Chief of the Education Division told us that, in a meeting with an official of the Office for Civil Rights, Washington, about October 12, 1970, it was finally decided that, if the pregrant audit or the telephone inquiries showed no civil rights violations other than the transfers which are allowed by Louisiana State law, the Office for Civil Rights would certify that the Louisiana school districts in "hold" status were in compliance with the regulations and would declare them eligible for ESAP funding.

TEACHER AND STAFF ASSIGNMENT AND SEGREGATED CLASSES

All 12 applications contained, as required by the regulations, signed assurances that the districts were in compliance with the regulation requirements concerning (1) discrimination in teacher and professional staffing patterns and (2) discriminatory practices or procedures, including testing, used in assigning children to classes or in carrying out curricular or extracurricular activities within the schools.

In addition to obtaining these assurances, regional officials either performed a file review or made pregrant audits of the school districts as discussed in the previous section of this report. (See p. 49.)

ESTABLISHMENT OF ADVISORY COMMITTEES

Biracial advisory committees

Our review showed that many of the 12 school districts had not complied with the regulation requirements concerning the formation of biracial advisory committees.

Two of the 12 school districts planned to use court-appointed advisory committees. One of these districts had complied with the regulation requirements in most respects. The second district, however, had been unable to meet the requirements because of a lack of action on the part of the court (Federal) in appointing committee members.

The other 10 districts were required to form advisory committees within 30 days of approval of their applications. We found that three or more of these districts had not submitted information showing (1) the community organizations from which members of the advisory committees were to be appointed, (2) the minority and nonminority composition of the advisory committees, (3) that parents of children to be directly affected by the project comprised at least 50 percent of the committee membership, (4) that the names of the advisory committee members had been made public, and (5) that the committees had been formed within 30 days of project approval.

We discussed these matters with regional officials who informed us that they would follow up on these and other regulation requirements during their program monitoring visits to the school districts. Our review of the reports prepared on visits to six school districts showed that the program officers followed up in some of the districts to determine if the districts had complied with the regulation requirements concerning biracial committees but that there was no indication of follow-up for others.

For example, one district's advisory committee was not comprised of equal numbers of minority and nonminority members. Although this imbalance in the committee structure was known by the responsible program officer and, in our opinion, should have been corrected at the time of his visit to the district in early December 1970, no corrective action was initiated until we brought the condition to his attention.

Student advisory committees

We found that, of the 10 school districts included in our review which were required by the regulations to form student advisory committees, only three submitted assurances that such committees would be formed. It appears, on the basis of our discussion with the senior program officer, that the assurances were not provided because the application instructions made no provision for submission of the assurance with the application even though it was required by the regulations.

Our review of the files showed, however, that seven of the 10 districts had formed student advisory committees. For two of the remaining three districts, there was no information in the project files showing that such committees had been formed. Regional officials told us that they did not know whether the committees had been formed but that they planned to follow up

on this matter when they made their monitoring visits to the school districts. Although a visit report on the third district showed that a committee would be formed by December 10, 1970, the regional office had not received confirmation that the committee had been formed as of January 8, 1971.

PUBLICATION OF PROJECT TERMS

All 12 of the applications contained, as required by the regulations, the assurance that the applicant would publish the terms and provisions of the project in a local newspaper within 30 days of project approval.

Our review showed that newspaper publications were on file for four of the 12 school districts and that only one of the four had publicized the required information within 30 days of the project approval. The elapsed time from project approval to publication ranged from 55 to 79 days for the other three districts.

The project files did not include information on the required newspaper publications in the remaining eight projects, although the 30-day period had elapsed in all cases. The senior program officer told us that compliance with the publication requirement was to be verified by the program officers during their first visits to the school districts. Although visits had been made to four of these districts, our review of the project files, including assessment reports, indicated that this requirement had not been complied with at the time of the assessment visits or when we subsequently discussed this matter with the individual program officers. The elapsed time from the project approval to the date of our discussions ranged from 58 to 97 days.

CHAPTER 6

COMMENTS ON HEW PHILADELPHIA REGIONAL OFFICE PROCEDURES FOR APPROVING GRANTS UNDER ESAP

HEW Region III, with headquarters in Philadelphia, Pennsylvania, encompasses the five States of Delaware, Maryland, Pennsylvania, Virginia and West Virginia and the District of Columbia. According to Office of Education statistics, 840 school districts were operating public schools in this region in the fall of 1969. As of August 26, 1970, 89 school districts were identified by HEW as being potentially eligible for assistance under ESAP. Of these 89 school districts, 59 had received grants totaling about $4.7 million as of November 13, 1970. Our review included seven of these grants totaling over $1.1 million. (See app. III.)

We believe that the Philadelphia Regional Office did not require the school districts to comply with several pertinent requirements of the ESAP regulations. In our opinion, most of the applications did not contain, contrary to the regulations, comprehensive statements of the problems faced in achieving and maintaining desegregated school systems, nor did they contain adequate descriptions of the proposed activities designed to effectively meet such problems. Particularly, there was a lack of documentation as to how the proposed activities would meet the children's special needs which resulted from the elimination of racial segregation and discrimination in the schools. Regional officials told us that, on the basis of their knowledge of the school districts, their educational experience, and additional information obtained from school district officials, they believed that the projects merited approval.

Most of the applications, in our opinion, did not contain, contrary to the regulations, an adequate description of the methods, procedures, and objective criteria that could be used by an independent organization to evaluate the effectiveness of each program activity. Also the files supporting some of the seven grants did not contain evidence that the school districts were in full compliance with the regulations concerning the formation of biracial and student advisory committees.

Regional officials accepted the signed assurances of the school districts that they were in compliance with the requirement of the regulations concerning discrimination in teacher and professional staffing patterns. For one of the districts (Prince Georges County, Maryland), information in the regional office files, at the time the school district's application was reviewed, showed that the ratio of minority to nonminority faculty in each school within the district was not substantially the same as the ratio for the entire school system,contrary to the regulations. We believe that, because this information was available in the regional office files prior to project approval, regional officials should have contacted school district officials to determine what action was being taken or planned to comply with this requirement of the regulations. By letter dated February 2, 1971, the Regional Director, Office for Civil Rights, requested the superintendent of the district to comply with the assurance given in the ESAP application.

None of the seven applications contained details concerning the qualifications of consultants or other persons who were to be employed for project activities requiring persons having special expertise.

We did not note any information in the regional office files which would lead us to believe that the school districts (1) had transferred any property or services to nonpublic schools which practiced racial discrimination, (2) were assigning children to classes on the basis of their being members of minority groups, or (3) would use their ESAP grants to supplant funds which were available to them from non-Federal sources.

ELIGIBILITY AND FUNDING OF SCHOOL DISTRICTS

To allot ESAP funds to the States in Region III, HEW/Washington determined that there were a total of 89 potentially eligible school districts in the region as of August 26, 1970. On the basis of the 297,802 minority students in these 89 potentially eligible school districts, the Office of Education, through use of the formula previously described on page 7, allotted about $5.5 million to school districts in these States, as set forth below.

State (note a)	Number of potentially eligible school districts	Number of minority students	State allotment
Maryland	6	43,447	$ 810,040
Pennsylvania	11	25,528	475,952
Virginia	71	228,387	4,258,120
West Virginia	1	440	8,203
Total	89	297,802	$5,552,315

[a]Region III also includes the State of Delaware and the District of Columbia. Delaware did not have any potentially eligible school districts, and the District of Columbia had entered the terminal phase of its desegregation plan prior to the 1968-69 school year; therefore, they did not receive allotments.

The regulations require that, for a school district to be eligible for ESAP assistance, it must have commenced the terminal phase of its voluntary or court-ordered desegregation plan during the 1968-69, 1969-70, or 1970-71 school year. The application form requires the applicant to attach a copy of its desegregation plan to its application. Of the seven school districts included in our review, four were under voluntary desegregation plans and three were under Federal court order to desegregate.

The Chief of the Education Division, Regional Office for Civil Rights, told us that, prior to approval of an application, his staff had reviewed the file on the applicant school district for any information that might indicate that the district was not in compliance with the nondiscrimination requirements of title VI of the Civil Rights Act of 1964. With respect to the seven projects included in our review, his office determined the eligibility of these districts as follows.

The eligibilities of two Virginia school districts (Dinwiddie and Powhatan) and one Maryland school district (Dorchester) were approved on the basis of letters sent by the Washington Office for Civil Rights in 1969 to these school districts, which stated that they were in compliance with title VI of the Civil Rights Act of 1964. The Norfolk, Virginia, school district was approved on the basis of the personal knowledge of the Chief of the Education Division concerning the court order placing the school district in the terminal phase of desegregation. This official stated that the eligibility of the Prince Georges County, Maryland, school district was determined after his review of the district's desegregation plan. He certified to the eligibilities of the two Pennsylvania school districts (Harrisburg and Susquehanna) on the basis of instructions from the Washington Office for Civil Rights which, in turn, relied on HEW's Office of General Counsel to determine the eligibilities for the Pennsylvania school districts. An Office of General Counsel official told us that, as long as a Pennsylvania school district was in compliance with the State of Pennsylvania's human relations commission desegregation orders, the school district was considered by HEW to be in a terminal stage of desegregation and eligible to participate in ESAP.

After ESAP funds were allotted by HEW/Washington to the States in Region III, regional officials used the priority-ranking system established by the Washington Office of Education as a basis for determining the relative needs of the school districts. (See p. 23.)

The senior program officer told us that funding levels were not established by Region III personnel in making grants to the school districts. He said that the amounts of grants in Region III had been determined by the program officers on the basis of their evaluations of the problems and needs set forth in the applications and their discussions with school district officials.

PROJECT POTENTIAL AND CONTENT

Of the seven applications included in our review, at least four, in our opinion, did not contain adequate statements of the problems faced by the school districts in achieving and maintaining desegregated school systems. Also we believe that the program descriptions did not provide sufficient information to allow determinations that the proposed assistance would meet emergency or special needs resulting from desegregation. Regional officials expressed the view that, on the basis of their knowledge of the school districts, their educational experience, and supplemental information obtained from school district officials, they were in a position to pass on the merits of the projects.

Following are examples of descriptions of problems contained in grant applications which, we believe, were not adequate to show that the problems resulted from desegregation activities.

Harrisburg City School District
Harrisburg, Pennsylvania

The Harrisburg City School District received a $50,723 grant on October 30, 1970. The only problem in the project application was described as:

"A significant educational problem facing the School District is the number of students of the age group to be served by the new middle school who demonstrate a lack of positive attitude toward school and school work."

The application was reviewed by three regional program reviewers. One reviewer, in recommending approval, stated:

"Although there is a well developed proposal manifesting careful and thoughtful planning, its relationship to racial problems appears to be weak."

Another reviewer, in recommending disapproval, stated:

"This project appears to be designed for general education upgrading as opposed to helping to solve problems relative to integration as now exist."

A third reviewer recommended approval without making any comment.

The program officer informed us that he had spoken to Harrisburg school district officials subsequent to the above comments by the reviewers and had obtained supplemental information regarding the project's relationship to desegregation.

The information obtained from these officials was to the effect that desegregation had placed students of different educational levels and backgrounds in the same classrooms and in sections of the city that were not familiar to them, and that, in some cases, these students had become disruptive and it had been necessary to devise ways to cope with them. According to the program officer, the Harrisburg officials also stated that, because of desegregation, staff and teachers needed to be taught to cope with student problems resulting from the students being placed in new situations not familiar to them or to the teachers.

The program officer told us that, after he relayed this information to the other reviewers, they agreed that the project was acceptable for funding under ESAP. None of these discussions were documented in the project file.

Susquehanna Township School District
Harrisburg, Pennsylvania

Susquehanna Township School District received a $17,100 grant on October 30, 1970. The project application stated that it was desirable to have guidance and counseling services at the elementary-school level not only from the viewpoint of all students but also from the viewpoint of assisting and ensuring satisfactory educational adjustments to students involved in integration. However, the project application referred to the school district's experience, since the school system was desegregated in 1968, as indicating that racial problems caused by integration were almost nonexistent in the elementary schools.

With respect to the latter statement, the program officer told us that this statement meant that there had been no major problem, such as violence, during the last 2 years. The program officer stated also that he had contacted the suprintendent of the school district and had been informed that there was a communication problem between white teachers and black students and that the provision of counseling services was the best way to resolve the problem. This additional information was not documented in the project file.

SUPPLEMENTING AND SUPPLANTING OF FUNDS

The seven applications reviewed by us contained assurances, as required by the regulations, that ESAP funds made available to the applicants would be used only to supplement and increase the level of non-Federal funds available to the applicants for the purposes of ESAP. The amounts of non-Federal funds budgeted before and after implementation of the court-ordered or voluntary desegregation plans were included in the project applications. Our review of this data showed that there had been no decrease in the school districts' budgets for non-Federal funds after the court-ordered or voluntary desegregation plans had been implemented.

The Chief of the Education Division, Regional Office for Civil Rights, told us that, to ensure that school districts were complying with the regulation requirement, his staff would examine the school districts' budgets during their postgrant reviews. He said that all expenditures would be examined to verify that the grant funds were being used for authorized purposes.

ADEQUACY OF PROCEDURES FOR EVALUATION OF PROJECT EFFECTIVENESS

We believe that, of the seven applications included in our review, six did not contain, contrary to the regulations, adequate descriptions of the methods, procedures, or objective criteria which could be used by an independent organization to evaluate the effectiveness of each program activity.

We found that, for several of the activities, the applicants had shown goals or desired achievement rather than methods or objective criteria which could be used to measure the success of the activity.

For example, an application in the amount of $36,800 was approved for special pupil personnel services in Dinwiddie County, Virginia. With respect to evaluation procedures, the application indicated that changes in student attitudes should occur and would be observed by the guidance department, but it did not indicate how the changes were to be measured.

Regional officials told us that many of the applicants did not have the necessary staff and time to enable them to provide adequate descriptions of the methods, procedures, and objective criteria to be used to evaluate the effects of their projects. They said that steps were being taken by the Office of Education and by State educational agencies to provide assistance to the school districts in this regard.

TRANSFER OF PROPERTY TO NONPUBLIC SEGREGATED SCHOOLS

The seven applications included in our review all contained, as required by the regulations, signed assurances that the applicants had not engaged, and would not engage, in the transfer of property or services to any nonpublic school or school system which practices discrimination.

With respect to the detection of possible violations, we were informed by the Chief of the Education Division, Regional Office for Civil Rights, that his staff relied on information received from informants and complaints from civil rights groups. He said that he was not aware of any such property transfers and that no applications had been rejected or terminated on such grounds. We did not find any record of complaints in the regional files.

TEACHER AND STAFF ASSIGNMENT AND EMPLOYMENT OF CONSULTANTS

Assignment of teachers and staff

All seven applications contained, as required by the regulations, signed assurances that teachers and other staff members who worked directly with children at a school would be assigned in a manner that would result in a ratio of minority to nonminority teachers and other staff in each school that was substantially the same as the ratio for the entire school system.

The Chief of the Education Division, Regional Office for Civil Rights, told us that no verification of compliance with the assurances, other than a research of the files, had been made prior to the project approval. He said that compliance would be determined by his staff during their post-grant reviews at the school districts.

Disparity in the ratio of minority to nonminority faculty in certain schools

We noted that in July 1970 the superintendent of Prince Georges County Schools (Maryland) provided to the Regional Office for Civil Rights data concerning the anticipated composition of the faculty at all the schools within the school district for the 1970-71 school year. The data showed that the ratio of minority to nonminority faculty in each school within the district was not substantially the same as the ratio for the entire school system, contrary to the regulations. The following examples show the disparity between the ratio of minority to nonminority faculty in certain schools in the district and the ratio for the entire school district, which was 15 percent minority to 85 percent nonminority.

School	Number of faculty		Ratio of minority to nonminority faculty	
	Minority	Nonminority	Minority	Nonminority
			(percent)	
Senior high:				
Central	18	52	26	74
Crossland	3	140	3	97
Fairmont Heights	26	41	39	61
High Point	3	128	2	98
Northwestern	5	116	4	96
Junior high:				
Bladensburg	1	52	2	98
Kent	31	30	51	49
Laurel	1	47	2	98
Mary Bethune	38	18	68	32
Elementary:				
Allenwood	-	21	-	100
Beaver Heights	20	6	77	23
Berwyn Heights	-	26	-	100
Bond Mill	-	33	-	100
Cherokee Lane	-	30	-	100
Glenarden Woods	25	2	93	7

Since this data was received by the Philadelphia Regional Office on August 6, 1970, before the Prince Georges County project application was approved on September 18, 1970, we asked the Chief of the Education Division why the project had been approved in the face of the apparent noncompliance with the assurance given in its application that the ratio of minority to nonminority faculty in each school would be substantially the same as the ratio for the entire school system. This official stated that it was an oversight on his part and that he should have contacted school district officials to determine what action was being taken to comply with the regulation requirement before approving the district's application.

During our review of the project files, we noted that a visit was made to the Prince Georges County Schools by regional officials during the period October 19 to 21, 1970, approximately 1 month after the project was approved. With respect to faculty desegregation, the report contained a statement that 23 of the 169 elementary schools had all-white faculties and that several schools had predominately black faculties.

Regional Office for Civil Rights officials told us that two subsequent visits were made to Prince Georges County in an attempt to rectify the problem relating to the desegregation of faculty. On February 2, 1971, the Regional Director, Office for Civil Rights, sent a letter to the superintendent of Prince Georges County Schools stating that measures should be undertaken at once to abide by the assurance given in the district's ESAP application.

Employment of consultants

None of the seven applications contained details concerning the qualifications of consultants or other personnel who were to be employed for project activities requiring personnel with special expertise.

For example, with respect to the Harrisburg application, the only mention of consultants was in the detailed budget which showed that $1,500 had been budgeted for the employment of consultants at $75 a day and expenses. The program officer said that, although the specific responsibilities of consultants were not described in the project application, he knew which project activities required the use of consulting services as a result of his personal contact with school district personnel. With respect to the amount budgeted for consultants, the senior program officer told us that, when the project officers visit the school districts, they would carefully review the vouchers supporting payments to consultants.

SEGREGATED CLASSES

The applications of all seven school districts contained signed assurances, as required by the regulations, that no discriminatory practices or procedures, including testing, would be employed in the assignment of children to classes or in carrying out curricular or extracurricular activities within the schools.

We were informed by the Chief of the Education Division, Regional Office of Civil Rights, that his staff had reviewed the files pertaining to the school districts and had relied on the assurances contained in the project applications in approving grants. He stated that no pregrant reviews had been made of any of the school districts. He told us, however, that Regional Office for Civil Rights personnel had visited Prince Georges County.

The report on this visit indicates that regional officials questioned the number of transfers by white students from certain desegregated schools to other schools with a lesser proportion of minority students that had taken place after the desegregation plan was implemented. Information contained in HEW files showed that, prior to the visit by Office for Civil Rights personnel, a moratorium had been placed on such transfers by the school district and that action had been taken to develop an acceptable policy with regard to student transfers. We were informed that this situation was being closely monitored by the Office for Civil Rights.

ESTABLISHMENT OF ADVISORY COMMITTEES

Biracial advisory committees

Information in the HEW project files showed that five of the seven school districts included in our review had biracial advisory committees which were in compliance with the provisions of Federal court orders or the regulations.

The biracial committee for the Harrisburg City School District did not meet the regulation requirements that the committee membership be comprised of 50 percent minority and 50 percent nonminority members. The committee was composed of 11 white and eight black members. The regional office files indicated that the other school district, Prince Georges County (Maryland) had not established a biracial advisory committee. Regional officials told us that they had been in contact with the school districts in an effort to resolve these problems in these two school districts.

Student advisory committees

Five of the seven school districts were required to form student advisory committees in the secondary schools affected by the projects and gave assurances that the committees would be formed. Our review showed that two of the districts had complied with the regulation requirements in this regard and that one had formed a student advisory committee, which did not meet the requirement of the regulations that the committee be comprised of an equal number of minority and nonminority students. At the time of our review, there was no information in the files to indicate that the committees had been formed for the other two districts. Regional officials

told us that they would follow up on the compliance with this requirement of the ESAP regulations in these three school districts.

PUBLICATION OF PROJECT TERMS

All seven applicants submitted signed assurances, as required by the regulations, that the terms and provisions of their projects would be published within 30 days after project approval.

Our review of the project files showed that two of the districts had published the required data. The Chief of the Education Division, Regional Office for Civil Rights, told us that the school districts were required to maintain evidence of publication in their files but were not required to submit such evidence to the regional office. He told us also that evidence of publication would be obtained during postgrant reviews in the school districts.

CHAPTER 7

COMMENTS ON HEW SAN FRANCISCO REGIONAL OFFICE PROCEDURES FOR APPROVING GRANTS UNDER ESAP

HEW Region IX, with headquarters in San Francisco, California, encompasses the four States of Arizona, California, Hawaii, and Nevada. According to Office of Education statistics, 1,394 school districts were operating public schools in these States in the fall of 1969. As of August 26, 1970, eight school districts were identified by HEW as potentially eligible for assistance under ESAP. Of these eight school districts, two--Pasadena and Inglewood, California--received grants totaling about $190,000. Our review included both of these grants. (See app. III.)

On October 6, 1970, Pasadena applied for $125,000 and on December 7, 1970, received a grant totaling $115,000--$95,800 for special curriculum revision (principally to hire 21 teacher-aides), $12,800 for special community programs, and $6,400 for special pupil personnel services.

On October 22, 1970, Inglewood applied for $126,000 and on December 14, 1970, received a grant totaling $74,938--$71,771 for special pupil personnel services and $3,167 for special curriculum programs.

We believe that the procedures used in Region IX to evaluate the Pasadena and Inglewood applications provided enough information for HEW to determine that the proposed program activities met the requirements of the regulations. Before the school districts had determined their desegregation needs and developed proposed programs to solve those needs, however, Region IX officials established funding ranges within which grants to potentially eligible school districts would be made. Information on the funding ranges was communicated to the Pasadena School District and to other school districts subsequently determined to be ineligible.

We believe that a procedure under which school districts are informed in advance of the amounts that can be made available to them under ESAP could tend, in some instances, to bring about inflated requests for funds and, in other instances, unrealistically low estimates of financial needs to overcome major problems arising from school desegregation.

The applications of Pasadena and Inglewood did not contain, contrary to the regulations, assurances that student advisory committees would be formed in each secondary school affected by the project. Although both applications contained references to biracial advisory committees, they were not complete with respect to when the committees would become operational or what community organizations would be represented on the committees.

In our opinion, neither application contained, contrary to the regulations, an adequate description of the methods, procedures, and objective criteria that could be used by an independent organization to evaluate the effectiveness of each program activity.

We did not note any information in the regional files which would lead us to believe that either school district (1) had transferred any property or services to a nonpublic school which practiced racial discrimination, (2) was discriminating on the basis of race in teacher and professional staffing patterns, (3) was assigning children to classes on the basis of their being members of minority groups, or (4) would use its ESAP grant to supplant non-Federal funds available to it for the purposes of ESAP.

ELIGIBILITY AND FUNDING OF SCHOOL DISTRICTS

Region IX used several sources, primarily State departments of education, to determine which school districts had implemented desegregation plans and then submitted to HEW/Washington the names of eight districts whose plans they had determined were in the terminal phase. The Division of Equal Educational Opportunities in Washington then requested each of these districts to submit a copy of its desegregation plans to HEW/Washington for review and final determination of its eligibility. On the basis of the 25,903 minority students in these eight districts, all of which were in California, the Office of Education, through use of the formula previously described on page 7, allotted $482,944 to Region IX on August 26, 1970.

While the final eligibility of the eight districts was being considered by HEW/Washington, the names of 14 additional potentially eligible districts were submitted to Region IX by the California State Department of Education. Seven of these districts sent their desegregation plans to HEW/Washington early in September 1970.

On September 18, 1970, a meeting of school superintendents from potentially eligible school districts was held in San Francisco to discuss the purposes and requirements of ESAP. On September 21, 1970, 3 days later, HEW regional officials held a meeting at Riverside, California, with school district representatives to explain the application procedures. Prior to this meeting, regional officials were informed that three of the 15 districts whose desegregation plans had been sent to Washington were not interested in submitting proposals for ESAP funds. At the time of this meeting, a final determination on the eligibility of the remaining 12 districts had not been received from Washington.

On October 6, 1970, HEW's Office of General Counsel notified Region IX that only two of the 15 districts--Pasadena and Inglewood--were eligible for financial assistance under ESAP. This determination was based on a decision that Pasadena and Inglewood were the only districts in Region IX under court order to desegregate.

Our review showed that an allocation of available funds--$482,944--was made among the 12 school districts in Region IX which the regional staff had concluded were potentially eligible for ESAP and were interested in receiving funds. According to regional officials, the method used to make this allocation was based on the number of minority children in each district times $10 plus a flat amount of $10,000. The resulting amount became the basis for establishing a funding range within which grants to the school districts would be made. The upper limits of the range were established by adding about 10 percent to the amount, and the lower limits were established by subtracting about 10 percent from the amount.

According to Region IX officials, these funding ranges were established on their own initiative as an administrative tool designed to ensure that available funds would not be exhausted before all eligible districts had an opportunity to participate. The officials said that some districts had problems of such magnitude that they could possibly submit a proposal requesting an amount which would equal or exceed the total funds available to the States.

At the previously mentioned meeting on September 21, 1970, representatives of potentially eligible districts were informed by HEW regional officials of the funding ranges established for their districts before they had developed proposed programs to help solve their desegregation problems.

A representative of the Pasadena School District attended this meeting and was advised that the school district's funding range was established at $110,000 to $120,000. On October 6, 1970, Pasadena submitted an ESAP project proposal requesting $125,000. We noted that, in the review of the proposal by regional officials, one program activity, for which $10,000 was requested, had been deleted from the proposal because the program officer believed that it was not related to desegregation and that it would have supplanted the district's own funds. Consequently, a grant of $115,000 was approved.

The Inglewood district, which did not have a representative at the September 21, 1970, meeting, submitted a project proposal requesting $126,000, which substantially exceeded the funding range established for this district of $35,000 to $45,000. Regional officials told us that they had informed Inglewood that it had to reduce its request to about $75,000 because the number of minority students in the Inglewood School District in relation to the number of students in Pasadena did not justify the amount requested.

By letter dated January 23, 1971, the senior program officer, Office of Education, Region IX, furnished us with an explanation of how the $74,938--the amount of the grant made to Inglewood--had been developed. He stated that, during the initial review of the Inglewood application, a proposed activity for community publications--budgeted for about $8,000--was questioned as not being related to a problem resulting from desegregation. He stated also that the hiring of new staff under the proposal would take at least 2 months and that therefore the proposal could be reduced in this area--about $40,000 for salaries and related employee benefits--without changing the scope of the program. In addition, other reductions totaling about $3,000 were made. On this basis, regional officials concluded that Inglewood could reduce its request for funds without hurting the program but that it should not be held to the maximum of its established funding range of $45,000 because its minimum program needs would require about $75,000. Inglewood then submitted a revised application requesting $74,938.

Regional officials told us that, in the future, districts would not be given funding ranges in advance but would be asked to submit proposals using three assumptions regarding possible levels of funding, as follows:

1. Unlimited funding is available; therefore the full program should be presented.

2. Funds are limited; therefore program activities should be ranked in order of priority.

3. Funds are extremely limited; therefore one bare-bones activity of highest priority should be identified.

PROJECT POTENTIAL AND CONTENT

Our review of the applications of both the Pasadena and the Inglewood School Districts revealed that they had identified problems which appeared to be related to desegregation and proposed program activities designed to meet these problems. It appeared that the need for regional consideration of project priorities between school districts had lessened, since only two applications were received.

Regional officials told us that meetings and visits had been held with school district personnel to obtain explanations on certain proposed activities prior to project approval. They said that some of the proposed program activities were not approved because the activities were not considered to be related to a problem resulting from desegregation. (See p. 65.)
Regional officials told us that, during their first monitoring visit, the program officers would obtain detailed explanations of how the activities were being conducted.

SUPPLEMENTING AND SUPPLANTING OF FUNDS

Regional officials told us that they had relied upon the assurance statements, signed by the school district officials, in their applications that ESAP funds would be used only to supplement, not to supplant, non-Federal funds which were available to them for program purposes. Regional officials told us also that, during their postgrant monitoring of the projects, they would determine whether the school districts were complying with this assurance.

Pasadena's application showed an increase in the amount of non-Federal funds available after implementation of its desegregation plan, whereas Inglewood's application showed a decrease, which was attributed to a decline in student enrollment.

ADEQUACY OF PROCEDURES FOR EVALUATION OF PROJECT EFFECTIVENESS

We believe that neither application contained, contrary to the regulations, an adequate description of the methods, procedures, and objective criteria that could be used by an independent organization to evaluate the effectiveness of each program activity.

The Pasadena application presented evaluation procedures, methods, and criteria in only summary outline form. The methods outlined were extremely generalized for some program activities and were not specific enough to measure the effectiveness of such activities.

The evaluation procedures and criteria presented in the Inglewood application were also inadequate. For example, for one program activity, Inglewood stated merely that consultants would be engaged to review this activity, but there was no description of the evaluation procedures to be followed. Region IX officials told us that the evaluation requirement had caused considerable confusion among the school districts and that Inglewood would be required to revise the evaluation section of its application.

TRANSFER OF PROPERTY TO NONPUBLIC SEGREGATED SCHOOLS

Neither Inglewood nor Pasadena listed any property or services in its application as being transferred to a nonpublic school or school system, and the school district superintendents certified that no such transfers had been made.

Office for Civil Rights regional officials told us that they had visited the Pasadena School District in connection with other programs and that, in gaining knowledge of the district's policies, were confident that the district would not support a segregated school. A similar visit had not been made to the Inglewood School District. It was the view of the Office for Civil Rights officials that any transfers of property to support segregated schools would very likely be the subject of a citizen's complaint. We found no record of such complaints in the regional files.

TEACHER AND STAFF ASSIGNMENT

Regional officials accepted, without verification, the assurances in the Inglewood and Pasadena applications that the districts were in compliance with HEW regulations concerning nondiscrimination in teacher and professional staffing patterns.

The Pasadena desegregation plan, submitted with the application, stated that the district had at that time a full complement of teachers and administrators. It also pointed out that, even though teachers from minority groups were in short supply, efforts would be made to hire more minority professional people as positions became available. A detailed recruitment plan showed that Pasadena intended to contact colleges throughout the Nation in its efforts to hire more teachers from minority groups. The Inglewood application and desegregation plan made no reference to future minority staffing patterns.

Office for Civil Rights regional officials told us that they would place reliance on monitoring of the projects to determine whether the districts were violating the assurances regarding discrimination in teacher and professional staffing patterns. These officials told us also that they had received no such complaints from minority teachers regarding racial discrimination practices in the two districts, and we found no record of such complaints in our review of the files.

SEGREGATED CLASSES

Both applications contained signed assurances, as required by the regulations, that no discriminatory practices or procedures, including testing, would be employed in assigning children to classes or in carrying out curricular and extracurricular activities within the schools.

Office for Civil Rights regional officials told us that they had not taken any specific action to verify the school districts' assurances but had relied on their background knowledge of possible civil rights violations and on complaints that might be received from people in the district that children were being assigned to segregated classes. We did not find any record of such complaints in the files.

ESTABLISHMENT OF ADVISORY COMMITTEES

Biracial advisory committees

The applications of both Inglewood and Pasadena contained references to biracial committees, but they were not complete in some respects.

The Inglewood application stated that a study group in the district had recommended the formation of an advisory committee, with 50 percent of its members being from minority groups. The application, however, did not stipulate when the committee would become operational and did not name the community organizations that would be represented on the committee.

The Pasadena application indicated that the district planned to use, as its biracial committee, a group which had been formed in the prior school year to review some of its own programs, as well as federally funded programs, supplemented by representatives from other unidentified organizations. We were told by a regional official, however, that the district's plans to reorganize this committee had been abandoned because information received on its past performance indicated room for improvement. A desire for a more effective biracial committee resulted in an agreement between the school district and HEW that a new committee would be formed within 30 days after grant approval.

The Inglewood and Pasadena School Districts had until January 7 and January 14, 1971, respectively, to form their advisory committees. As of January 19, 1971, Region IX had not received notification from either grantee that such a committee had been established. At our request, regional officials contacted each school district and were told that each district was in the process of establishing its biracial advisory committee.

Student advisory committees

In processing the applications of both Inglewood and Pasadena, Region IX officials did not obtain written assurances, contrary to the regulations, that a student advisory committee composed of minority and nonminority group children would be formed in each secondary school affected by the project.

The senior program officer told us that both districts understood that student advisory committees were required and that both planned to form

such committees. He said that the districts had not mentioned the student committees in their applications because they did not plan to use ESAP funds to provide support for such committees. Region IX officials agreed, however, that they should have required that the assurances be submitted and said that action would be taken to obtain them.

PUBLICATION OF PROJECT TERMS

The applications submitted by both school districts contained, as required by the regulations, signed assurances that the terms and provisions of the projects would be published in local newspapers within 30 days after project approval. As a result of our inquiry as to whether the districts had complied with this requirement, a regional official contacted district officials and learned that, although each district had published an article concerning its grant, the article on the Pasadena grant did not state the terms and provisions of the grant, contrary to the regulations. The officials told us that Pasadena had agreed to have another article published.

CHAPTER 8

COMMENTS ON HEW KANSAS CITY REGIONAL OFFICE PROCEDURES FOR APPROVING GRANTS UNDER ESAP

HEW Region VII, with headquarters in Kansas City, Missouri, encompasses the four States of Iowa, Kansas, Missouri, and Nebraska. According to Office of Education statistics, 2,835 school districts were operating public schools in these States in the fall of 1969. As of August 26, 1970, 14 school districts, all in Missouri, were identified by HEW as being potentially eligible for assistance under ESAP.

Three of the 14 school districts applied for grants under the program but only one--New Madrid County R-1 Enlarged School District, New Madrid, Missouri--was determined eligible by HEW and received a grant as of November 13, 1970. Our review included this grant. (See app. III.)

On September 24, 1970, New Madrid school district applied for $92,651 and, on October 22, 1970, received a grant totaling $57,385--$21,770 for special community programs and $35,615 for special pupil personnel services.

We believe that the procedures used in Region VII for evaluating the New Madrid application provided enough information for HEW to determine that the proposed program activities met the requirements of the regulations.

We believe that the applicant's statement of the problems faced in desegregating the school district was, in general, descriptive enough for the program officer to evaluate the district's need for assistance and the relative potential of the project. The program officer, however, told us that, to determine the priority of needs of program activities set forth in the application, he had relied on his past educational experience and judgment. The program officer told us also that he had obtained supplemental information from school district officials. This information, however, was not documented in the files.

The program officer obtained the assurances required by HEW regulations and, in some instances, performed additional work prior to approval of the application to ensure that the applicant had complied with the regulations. Generally the supplemental information obtained was not documented in the files.

ELIGIBILITY AND FUNDING OF SCHOOL DISTRICTS

In August 1970, the Division of Equal Educational Opportunities, Office of Education, Washington, verbally requested the Region VII program officer to obtain a listing of potentially eligible school districts within the four States in that region so that ESAP funds could be allocated to these States. According to the program officer, information on the potentially eligible school districts was obtained at State departments of education in the four States, because these were the only known central sources in the

region where information on court orders and desegregation plans submitted by districts in the States was available.

HEW determined that Missouri was the only State in the region with school districts that were potentially eligible for ESAP funds. Late in August 1970, 14 districts were reported to HEW/Washington as being potentially eligible for assistance under ESAP. On the basis of the 7,269 minority children in all 14 districts, the Office of Education, through use of the formula previously described on page 7, allotted $135,526 to Missouri on August 26, 1970, although most of the 14 districts were later determined to be ineligible for, or were not interested in applying for, ESAP funds.

On September 1, 1970, the 14 potentially eligible school districts were requested to submit copies of their desegregation plans and related information to HEW/Washington for final determination of each district's eligibility. Four Missouri districts responded to the request.

On September 16, 1970, an official from the Division of Equal Educational Opportunities in Washington, the Region VII program officer, and a Missouri department of education official held an informational meeting with representatives of nine of Missouri's 14 potentially eligible school districts to inform them of assistance available under ESAP. The program officer told us that the other five districts had withdrawn prior to the meeting and that, as a result of the meeting, five more districts had withdrawn because they either were not interested or did not consider themselves eligible. The remaining four districts had submitted copies of their desegregation plans to HEW/Washington for review.

On September 24 and 25, 1970, Division of Equal Educational Opportunities officials held workshops to explain the application procedures, and they invited the four remaining Missouri school districts to attend. Three of the four districts attended and later submitted applications. The program officer told us that the superintendent of the fourth district had informed him that the district did not want to apply for ESAP funds at that time.

The program officer told us also that funds had not been allocated to the districts nor had any funds been reserved for a specific district. He said that he did not review the applications with any predetermined amount of funds per district in mind and that he had no requirement to spend all the money allocated to Missouri. He expressed his opinion that, if one applicant had the greatest need and required all the State's allocation, he would recommend giving all the funds to this applicant in lieu of giving part of the funds to applicants with lesser needs.

The program officer received the three applications on October 2, 1970, and took them to Washington on October 4, 1970, where he and three Division of Equal Educational Opportunities officials reviewed them. The three applicants requested a total of about $250,700 compared with Missouri's allocation of $135,526, but a grant of only $132,690 was approved pending final determination of eligibility. The program officer told us that the applications had been reviewed on the assumption that all three districts were eligible.

On October 6, 1970, HEW's Office of General Counsel informed the Division of Equal Educational Opportunities that only New Madrid was eligible for a grant. The other two school districts were determined to be ineligible, because they had not entered the terminal phase of their desegregation plan during the time period specified by the regulations. The amount of funds approved for New Madrid on October 22, 1970, was not changed after it became the only eligible district--$92,651 was originally requested and $57,385 was granted.

PROJECT POTENTIAL AND CONTENT

We reviewed the New Madrid application and found that it had identified two problem areas--a breakdown in parent-community school communication and severe educational deficits of some of the children--and proposed program activities designed to meet these problems.

In our opinion, the proposed activities were authorized by the regulations and seemed to be related to the problems discussed in the application. Also the application identified objectives and achievements anticipated and specified qualifications of officials needed to carry out the activities. The budget breakdown corresponded with the program activities and further specified the officials to be involved and the extent and type of costs to be incurred in accomplishing the activities.

The program officer, however, told us that, to determine the priority of needs of program activities set forth in the application, he had relied on his educational experience and judgment. He said that, in reviewing the three applications received, he had considered program activities which stressed personnel services oriented to the needs of the children involved in desegregation as being of the highest priority and that, in his opinion, project items for hardware or facility items (capital expenditures) were difficult to justify. Consequently, he eliminated certain hardware or facility items from the applications, although they were allowable under the regulations.

For example, a mobile reading-clinic unit and related equipment and staff were eliminated from the New Madrid application, because the program officer did not believe that the need for the mobile clinic resulted from desegregation or that, based on the current thinking of educators, its use was a good approach to learning.

SUPPLEMENTING AND SUPPLANTING OF FUNDS

The application contained assurances, as required by HEW regulations, that the ESAP funds made available would be used only to supplement and increase the level of funds available to the applicant from non-Federal sources. In addition to reviewing the assurance statement, the program officer told us that he had reviewed the school district's school-year budgets for 1968-69, 1969-70, and 1970-71 to ensure that the budgets had not decreased after desegregation. The program officer said that the district's non-Federal funds had increased after desegregation. We noted no documentation in the project file, however, to verify the program officer's review.

The program officer said that in Missouri a school district's budget is prepared and approved by voters in the spring preceding the fall school year. Consequently, he said that the applicant's budget (level of non-Federal funds) was set prior to knowledge of the program.

ADEQUACY OF PROCEDURES FOR EVALUATION OF PROJECT EFFECTIVENESS

The key program activities listed in the application were special community programs for promoting understanding among students, teachers, parents, and community groups and in-service training for teachers to enable them to detect severe reading disabilities and to provide remediation to the students.

The application set forth the district's intended methods and procedures for evaluating the effects of these program activities. The success of liaison activity to promote better understanding between the community and the school was to be judged by how well the activity worked in decreasing antagonism toward the school's educational process, lessening racial conflicts, and increasing cooperation between the community and the school system. Pretesting and posttesting of elementary students was to be used to determine the success of the remedial reading activity, along with a comparison of academic records and an evaluation of behavioral and personality changes by the employees who had contact with the students.

The program officer believed that the success of the activities could be evaluated by an independent evaluator.

TRANSFER OF PROPERTY TO NONPUBLIC SEGREGATED SCHOOLS

The New Madrid application did not list any property or services transferred to a nonpublic school or school system, and the school district superintendent certified that no such transfers had been made.

The program officer told us that he had reviewed the files in the Missouri department of education to determine whether any new private schools had been established in the New Madrid school district in recent years. He found that there were no large nonpublic schools and that, in fact, there were only a very few parochial schools in the district. The program officer also stated that he had checked student enrollment before and after desegregation and found that it had not dropped.

TEACHER AND STAFF ASSIGNMENT AND EMPLOYMENT OF CONSULTANTS

Other than obtaining the applicant's assurance, as required by the regulations, HEW obtained little additional information prior to approval of the application as to whether the district was in compliance with the regulations concerning discrimination in teacher and professional staffing patterns. Also we believe that the application provided sufficient detail whereby the program officer could verify the qualifications of the personnel requested to conduct the proposed activities.

The program officer told us that he had relied on the applicant's assurance that the school district was in compliance and that he had planned to make an onsite visit to verify this assurance.

Before approval of the application, Office for Civil Rights investigators had visited five schools in the New Madrid district and inquired into areas of minority-teacher assignment to classes with predominately white students, student-testing practices, and integration of teachers from the all-black schools into the school system. The investigators concluded that there was no clear evidence in the district of noncompliance with the nondiscrimination requirements of title VI of the Civil Rights Act of 1964.

With respect to staff's being hired under the program, the application stated, for example, that two reading specialists would be hired to conduct the project's special pupil personnel services activity. Although the application did not show the specific qualifications these individuals were to possess, the program officer contended that showing these qualifications was not necessary because qualifications are governed by State standards. The program officer said that the school district superintendent had assured him that individuals having the required qualifications could be obtained and that he would verify the qualifications during his onsite visit.

SEGREGATED CLASSES

The application contained signed assurances from the school district, as required by the regulations, that no discriminatory practices or procedures, including testing, would be employed in assigning children to classes or in carrying out curricular or extracurricular activities within the schools.

The regional file on the New Madrid project contained a copy of a report on an Office for Civil Rights onsite visit made to five schools in New Madrid prior to project approval. The report showed that the district had implemented a desegregation plan, that it was in the terminal phase of desegregation, and that the schools in the district were completely desegregated. The report also indicated that there were no all-black schools and that the investigators had been advised that the district's buses; school organizations; and athletic, social, and extracurricular activities within the schools were completely desegregated.

The program officer told us that, prior to approval of the application, an official of the Division of Equal Educational Opportunities in Washington informed him verbally that the Office for Civil Rights had cleared the application. However, a form indicating Office for Civil Rights review and clearance had not been submitted to the regional office. The responsible Office for Civil Rights official told us that New Madrid was determined to be in compliance with this assurance but that, through an oversight, the clearance form had not been prepared. After we discussed this matter with the official, the form was prepared and made a part of the record.

ESTABLISHMENT OF ADVISORY COMMITTEES

Biracial advisory committee

The application stated that the school district had a biracial advisory committee prior to submission of the application. The composition of the committee appeared to meet the requirements of the regulations.

The committee was composed of 10 members, five black and five white. The application included a statement that the committee members were parents or grandparents of children attending schools affected by the projects. The regulations require that at least 50 percent of the committee members be parents. The program officer told us that the school district superintendent had assured him that all the committee members were either parents or guardians of children attending schools affected by the projects, although the application file was not documented to support his statement.

The application indicated that the biracial advisory committee was in existence when the application was signed by the school district superintendent on September 24, 1970. A statement in the project file, signed by the chairman of the committee on September 28, 1970, indicated that the committee had endorsed the proposed project.

The program officer told us that the committee probably had been formed under title I of the Elementary and Secondary Education Act or Office of Economic Opportunity programs and that he believed that the committee had satisfied HEW regulations.

Student advisory committee

No student advisory committee was established, because the proposed program did not apply directly to secondary schools.

PUBLICATION OF PROJECT TERMS

The application submitted by the school district contained, as required by the regulations, a signed assurance that the terms and provisions of the project would be published in a local newspaper within 30 days after project approval.

During our review the program officer contacted the school district superintendent and was informed that the published articles were on file. The program officer, however, did not know whether the articles had been published within 30 days after grant approval.

CHAPTER 9

SCOPE OF REVIEW

We reviewed the legislative history of the Emergency School Assistance Program, the related Federal regulations, and the program policies and procedures of the Office of Education and the Office for Civil Rights, HEW. In addition, we reviewed project applications and other pertinent documents for 50 grants reported by the Office of Education as having been approved through November 13, 1970. We also interviewed HEW personnel having responsibilities under the program in the HEW headquarters in Washington and in five HEW regional offices.

Our work was concerned primarily with a review of HEW policies and procedures for approving grants under ESAP and was conducted at the HEW headquarters in Washington and at the HEW regional offices in Atlanta, Dallas, Kansas City, Philadelphia, and San Francisco. We did not perform any work at the school districts. Examination of the expenditures of the school districts relating to these grants is to be made in a follow-on review.

STATISTICS RELATING TO PARTICIPATION IN
EMERGENCY SCHOOL ASSISTANCE PROGRAM
IN HEW REGIONS INCLUDED IN
GAO'S REVIEW

HEW region--State	Number of public school districts			Status of applications for financial assistance submitted by school districts as of November 13, 1970			
	Within the State (note a)	Potentially eligible (note b)	Provided technical assistance by HEW (note c)	Received	Approved	Rejected	Under review
REGION III--PHILADELPHIA:							
Delaware	26	-	-	-	-	-	-
District of Columbia	1	-	-	-	-	-	-
Maryland	24	6	6	5	2	1	2
Pennsylvania	600	11	11	10	9	1	-
Virginia	134	71	69	55	48	1	6
West Virginia	55	1	3	2	-	-	2
Total	840	89	89	72	59	3	10
REGION IV--ATLANTA:							
Alabama	118	110	112	80	57	2	21
Florida	67	64	58	58	57	-	1
Georgia	190	168	168	157	144	-	13
Kentucky	193	7	7	5	4	-	1
Mississippi	148	149	149	100	86	-	14
North Carolina	152	125	124	91	81	-	10
South Carolina	93	92	93	70	64	-	6
Tennessee	149	58	59	46	37	-	9
Total	1,110	773	770	607	530	2	75
REGION VI--DALLAS-FORT WORTH:							
Arkansas	384	126	121	78	69	1	8
Louisiana	66	65	59	44	36	-	8
New Mexico	89	-	-	-	-	-	-
Oklahoma	685	22	18	15	9	5	1
Texas	1,208	174	138	106	86	5	15
Total	2,432	387	336	243	200	11	32
REGION VII--KANSAS CITY:							
Iowa	453	-	-	-	-	-	-
Kansas	311	-	-	-	-	-	-
Missouri	651	14	7	3	1	2	-
Nebraska	1,420	-	-	-	-	-	-
Total	2,835	14	7	3	1	2	-
REGION IX--SAN FRANCISCO:							
Arizona	294	-	-	-	-	-	-
California	1,082	8	8	2	2[d]	-	-
Hawaii	1	-	-	-	-	-	-
Nevada	17	-	-	-	-	-	-
Total	1,394	8	8	2	2	-	-
TOTAL	8,611	1,271	1,210	927	792	18	117

[a]Based on Office of Education statistics in the fall of 1969.

[b]Identified by HEW as potentially eligible as of August 26, 1970.

[c]According to HEW--in some States, school districts other than those identified as being potentially eligible as of August 26, 1970, were provided with information about ESAP and with assistance in preparing project applications.

[d]Reported by the Office of Education as having been approved as of November 13, 1970; applications actually approved in December 1970.

BREAKDOWN BY STATE

OF NUMBER AND AMOUNT OF GRANTS MADE UNDER

THE EMERGENCY SCHOOL ASSISTANCE PROGRAM

AS OF NOVEMBER 13, 1970

HEW region and State	Grants made	
	Number	Amount
REGION I--BOSTON:		
Connecticut	-	$ -
Maine	-	-
Massachusetts	-	-
New Hampshire	-	-
Rhode Island	-	-
Vermont	-	-
Total	-	-
REGION II--NEW YORK:		
New York	-	-
New Jersey	-	-
Puerto Rico	-	-
Virgin Islands	1	45,000
Total	1	45,000
REGION III--PHILADELPHIA:		
Delaware	-	-
District of Columbia	-	-
Maryland	2	653,363
Pennsylvania	9	349,892
Virginia	48	3,692,998
West Virginia	-	-
Total	59	4,696,253
REGION IV--ATLANTA:		
Alabama	57	4,143,047
Florida	57	7,126,565
Georgia	144	6,504,464
Kentucky	4	106,257
Mississippi	86	4,740,739
North Carolina	81	6,481,469
South Carolina	64	4,425,449
Tennessee	37	2,666,048
Total	530	36,194,038

HEW region and State	Grants made	
	Number	Amount
REGION V--CHICAGO:		
Illinois	-	$ -
Indiana	-	-
Minnesota	-	-
Michigan	-	-
Ohio	-	-
Wisconsin	-	-
Total	-	-
REGION VI--DALLAS-FORT WORTH:		
Arkansas	69	1,698,567
Louisiana	36	5,672,848
New Mexico	-	-
Oklahoma	9	265,137
Texas	86	6,688,369
Total	200	14,324,921
REGION VII--KANSAS CITY:		
Iowa	-	-
Kansas	-	-
Missouri	1	57,385
Nebraska	-	-
Total	1	57,385
REGION VIII--DENVER:		
Colorado	-	-
Montana	-	-
North Dakota	-	-
South Dakota	-	-
Utah	-	-
Wyoming	-	-
Total	-	-
REGION IX--SAN FRANCISCO:		
Arizona	-	-
California	2[a]	189,938
Hawaii	-	-
Nevada	-	-
Total	2	189,938
REGION X--SEATTLE:		
Alaska	-	-
Idaho	-	-
Oregon	-	-
Washington	-	-
Total	-	-
TOTAL	793	$55,507,535

[a]Reported by the Office of Education as having been made through November 13, 1970; grants were actually made in December 1970.

GRANTS UNDER THE

EMERGENCY SCHOOL ASSISTANCE PROGRAM

SELECTED FOR GAO REVIEW

HEW region, State, and school district	Number of grants selected	How selected--certainty (C) or random (R)	Amount of grant
REGION III--PHILADELPHIA:			
Maryland:			
Prince Georges County Schools		C	$ 532,709
Dorchester County Schools		C	120,654
Total	2		653,363
Pennsylvania:			
Harrisburg City School District		R	50,723
Susquehanna Township School District		R	17,100
Total	2		67,823
Virginia:			
Norfolk City Schools		R	294,025
Dinwiddie County School Board		R	56,400
Powhatan County Schools		R	32,210
Total	3		382,635
Total Region III	7		1,103,821
REGION IV--ATLANTA:			
Alabama:			
Talladega County Board of Education		R	168,247
Phenix City Board of Education		R	74,312
Sylacauga City Board of Education		R	27,468
Total	3		270,027
Florida:			
Dade County Public Schools		C	2,121,905
Madison School Board of Education		R	50,000
Wakalla County Schools		R	9,000
Total	3		2,180,905
Georgia:			
Atlanta Public Schools		C	1,150,939
Crisp County School System		R	65,925
Appling County Board of Education		R	38,313
Carroll County Board of Education		R	28,800
Wilkinson County Board of Education		R	22,000
Montgomery County Board of Education		R	13,000
Bacon County Board of Education		R	6,000
Total	7		1,324,977
Kentucky:			
Jefferson County Public Schools		R	32,700
Fulton County Board of Education		R	4,430
Total	2		37,130
Mississippi:			
Jackson Municipal Separate School District		C	1,300,000
Hinds County Public Schools		R	190,000
Harrison County School District		R	43,000
Houston Municipal Separate School District		R	20,000
Total	4		1,553,000
North Carolina:			
Winston-Salem City/Forsyth County Schools		R	250,738
Columbus County Schools		R	118,900
Hoke County Board of Education		R	89,240
Tarboro City Board of Education		R	43,832
Total	4		502,710

HEW region, State, and school district	Number of grants selected	How selected--certainty (C) or random (R)	Amount of grant
REGION IV--ATLANTA (cont.):			
South Carolina:			
Greenville School District		R	$ 359,998
Dillon County School District No. 2		R	75,000
Orangeburg County School District No. 7		R	25,568
Total	3		460,566
Tennessee:			
Memphis City Board of Education		C	992,531
Maury City Board of Education		R	1,500
Total	2		994,031
Total Region IV	20		7,323,346
REGION VI--DALLAS-FORT WORTH:			
Arkansas:			
Hope School District		R	61,400
Luxora School District		R	24,000
Watson School District		R	11,300
Drew-Central School District		R	4,100
Total	4		100,800
Louisiana:			
Orleans Parish School District		C	1,953,400
Jackson Parish		R	42,000
Total	2		1,995,400
Oklahoma:			
Ardmore City Schools		R	26,000
Checotah Independent School District No. 19		R	8,515
Total	2		34,515
Texas:			
Houston Independent School District		C	2,025,000
San Antonio Independent School District		C	1,165,300
West Orange Cove Consolidated Independent School District		R	49,080
Buffalo Independent School District		R	14,550
Total	4		3,253,930
Total Region VI	12		5,384,645
REGION VII--KANSAS CITY:			
Missouri:			
New Madrid School District R-I		C	57,385
Total	1		57,385
Total Region VII	1		57,385
REGION IX--SAN FRANCISCO:			
California:			
Pasedena Unified School District		C	115,000
Inglewood Unified School District		C	74,938
Total	2		189,938
Total Region IX	2		189,938
TOTAL--ALL REGIONS	50		$14,059,135

Note: Criteria used in making selections:

1. Grants of $1 million or more were selected--including the grant to Memphis in the amount of $992,531.

2. At least two grants in each State were selected--if the State had received only one or two grants all grants were selected.

3. All other grants were selected at random--within each State the grants were listed from high to low dollar amounts so that a mix of both would be selected.

WALTER F. MONDALE, MINN., CHAIRMAN
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United States Senate
SELECT COMMITTEE ON EQUAL EDUCATIONAL OPPORTUNITY
(CREATED PURSUANT TO S. RES. 359, 91ST CONGRESS)
WASHINGTON, D.C. 20510

November 24, 1970

Mr. Elmer B. Staats
Comptroller General of the
United States
General Accounting Office
441 G Street, N.W.
Washington, D.C. 20548

Dear Mr. Staats:

This letter is to request that the General Accounting Office make a review of the implementation of the Emergency School Assistance Program by the Office of Education, Department of Health, Education, and Welfare.

The program, which is presently funded in the amount of $75 million by the Office of Education Appropriation Act, 1971, Public Law 91-380, dated August 18, 1970, provides financial assistance to local educational agencies to meet special problems incident to desegregation in elementary and secondary schools. Statutory authority to carry out the program is contained in six separate acts which are cited in the appropriation act.

The Committees of Congress are currently considering a bill to provide for a single authorization for the program to be known as the Emergency School Aid Act of 1970. The $75 million is the first part of the President's announced plans to ask for a total of $1.5 billion for the program over the next 2 years.

Staff members of the select committee have met recently with representatives of your office to discuss this request and have furnished them with a suggested outline of areas to be covered in the review. It was agreed that during the first phase, the review would be limited to an evaluation of the regulations and procedures established to implement the program. This work is to be performed primarily at the Office of Education headquarters in Washington, D.C., and at each HEW regional office where financial grants have been made. It is contemplated that following the report on this review, follow-on work will be performed at the various school districts included in the review.

It is requested that you select 50 projects for review. At least one project in each State which has received funds, as well as a mix of both large and small grants, should be examined.

It is requested that a report of your findings be provided by January 26, 1971, in order that it may be of assistance in the deliberations on the Emergency School Aid bill. The committee staff will be pleased to meet with your representatives at any time during the conduct of the review should any problems arise.

Sincerely,

Walter F. Mondale
Chairman

U.S. GAO Wash., D.C.